Personal Assets Trust PLC

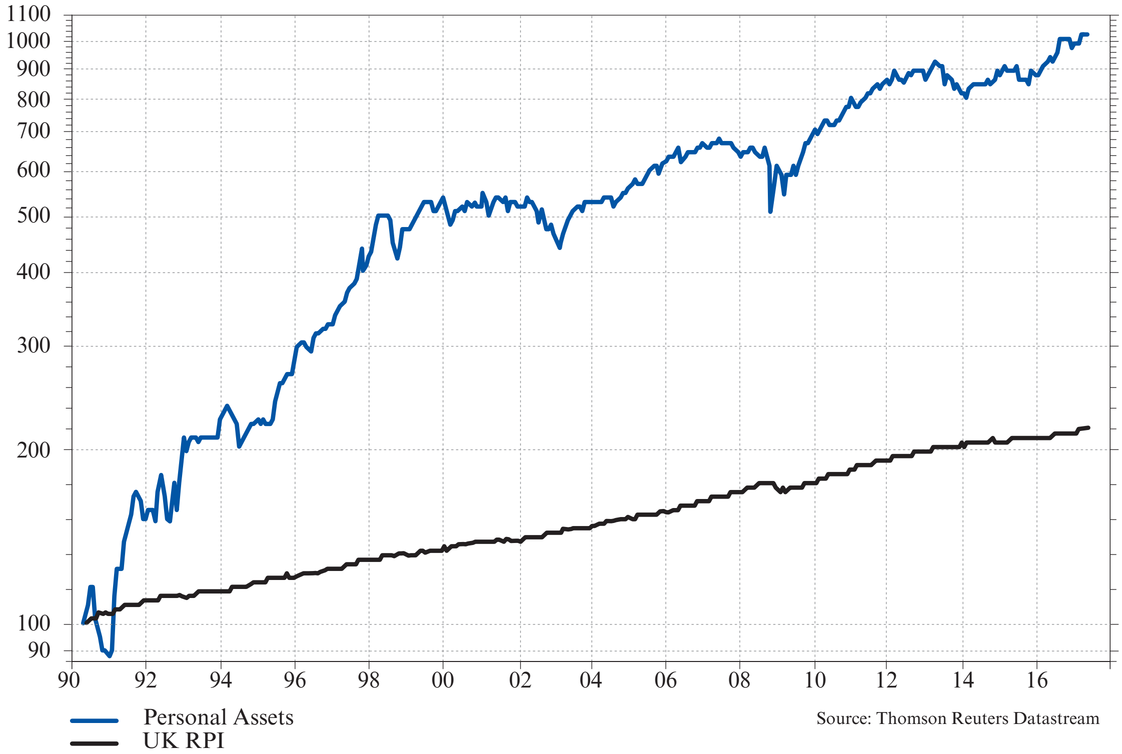
Annual Report and Accounts for the Year ended 30 April 2017

ABOUT PERSONAL ASSETS

Personal Assets is what its name implies. It is an investment trust run for private investors, who may often have committed to it a substantial proportion of their personal wealth. Its investment policy is to protect and increase (in that order) the value of shareholders' funds per share over the long term. It differs from other investment trusts in that its activities are defined not by any particular portfolio specialisation or investment method but by a desire to satisfy the personal requirements of those who invest in it. This is reflected in the Board's statement that 'our specialisation will be our shareholders'. For further details of the Investment Policy please see the Strategic Report on pages 4-6.

The Company's policy is to ensure that its shares always trade at close to net asset value through a combination of share buybacks at a small discount to net asset value and the issue of new or Treasury shares at a small premium to net asset value where demand exceeds supply. This discount and premium control policy is enshrined in the Articles of Association of the Company.

SHARE PRICE PERFORMANCE VERSUS THE RPI SINCE 30 APRIL 1990



KEY FEATURES
(ALL FIGURES AT 30 APRIL)

	2017	2016	2014	2012	2007	1990[1]
Market Capitalisation	£794.6m	£650.0m	£570.0m	£470.4m	£193.4m	£5.9m
Shareholders' Funds	£781.5m	£640.6m	£573.2m	£463.5m	£192.4m	£8.5m
Shares Outstanding	1,960,127	1,744,842	1,717,447	1,380,659	726,921	149,313
Allocation of Portfolio						
Equities	45.7%	44.0%	44.0%	50.0%	49.3%	88.2%
US TIPS	19.3%	17.0%	16.6%	22.1%	–	–
UK Index-Linked Gilts	4.1%	4.4%	4.6%	–	–	–
UK T-Bills	14.7%	17.2%	10.8%	6.3%	–	–
Overseas T-Bills	–	–	7.7%	6.7%	32.4%	–
Gold Bullion	10.0%	11.0%	10.7%	12.4%	–	–
UK cash and cash equivalents	4.5%	4.8%	7.9%	1.2%	12.4%	5.7%
Overseas cash and cash equivalents	–	1.0%	–	–	–	–
Net current assets	1.7%	0.6%	(2.3%)	1.3%	5.9%	6.1%
Share Price	£405.40	£372.50	£331.90	£340.70	£266.00	£39.50
NAV per Share	£398.70	£367.15	£333.77	£335.69	£264.70	£56.67
FTSE All-Share Index	3,962.49	3,421.70	3,619.83	2,984.67	3,355.60	1,043.16
Premium/(discount)	1.7%	1.5%	(0.6%)	1.5%	0.5%	(30.3%)
Earnings per Share	£6.20	£4.78	£4.78	£5.32	£5.08	£1.09
Dividend per Share	£5.60	£5.60	£5.60	£5.55	£4.10	£1.00

[1] Personal Assets Trust became self-managed in 1990.

	Percentage Changes				
	1 Year	**3 Years**	**5 Years**	**10 Years**	**Since 1990[1]**
Share Price	8.8	22.1	19.0	52.4	926.3
NAV per Share	8.6	19.5	18.8	50.6	603.5
FTSE All-Share Index ("All-Share")	15.8	9.5	32.8	18.1	279.9
Share Price relative to All-Share	(6.0)	11.6	(10.4)	29.1	170.2
Share Price Total Return	10.4	28.0	28.8	80.7	1,699.0
NAV per Share Total Return	10.2	25.2	28.7	79.0	1,048.1
All-Share Total Return	20.1	21.8	58.6	68.9	893.0
Share Price Total Return relative to All-Share Total Return	(8.1)	5.1	(18.8)	7.0	81.2
Inflation (RPI)	3.5	5.8	11.6	31.7	116.3

[1] Personal Assets Trust became self-managed in 1990.

Chairman's Statement

Our investment policy is to protect and increase (*in that order*) the value of shareholders' funds per share (otherwise known as net asset value per share, or "NAV") over the long term. To borrow a turn of speech from Mrs May, the long term means the long term. We don't think of it as being over five years or even ten years. To us, it means going back to 2000 or even to 1990, when Personal Assets became self-managed and so began its existence in its present form. Since 30 April 1990, the NAV has risen at an annual compound rate of 7.5% compared to 5.1% for the FTSE All-Share Index and 2.9% for the RPI. (The rise in share price at an annual compound rate of 9.0% is because at 30 April 1990 the shares sold at a discount to NAV of 30.2%.) On 30 April 1990 Personal Assets' share price, after adjusting for the 1 for 100 consolidation in January 1993, was £39.50 and it's therefore pleasing (although not particularly important) to note that during April 2017 the share price touched an all-time high of £410.70, falling back slightly to end our financial year at £405.40.

Last year I mentioned that the Board was giving thought to how best to measure how we have performed in pursuit of our stated objective and then communicate the results to you, the owners of the Company. The Board is still working on this, but for some years now we have ceased to use total return as a key performance indicator and in future we may drop it altogether from the Annual Report. We have also become more sparing in the use of the FTSE All-Share and instead have highlighted the RPI as a measure of how we are succeeding in protecting the real value of shareholders' funds.

To measure how Personal Assets protects and then, if possible, increases shareholders' funds per share the Board looks at investment performance from two angles — the result achieved, and the degree of risk accepted in achieving it. The result achieved is shown in Key Features on page 1 while the degree of risk accepted is indicated in the bottom chart on page 10. This shows how over the past seventeen years Personal Assets has been not only less volatile than UK equities in general but also less volatile than most investment trusts in the AIC Global Sector, in which we were included until December 2015, and the AIC Flexible Sector, in which we have been included since January 2016.

Last year I reported that as a result of the change in the Articles of Association to permit the Company to distribute realised profit as dividend the Board had been able to commit to paying the dividend at the present annual rate of £5.60 per share for the foreseeable future without interfering with the balance and composition of our investment portfolio. In the year to 30 April 2016 we drew on realised profits for this purpose to the extent of £735,000. I am pleased to report that in the current year the dividend has been fully covered by revenue earnings and we have been able to transfer £1,128,000 to reserves, thereby 'repaying' the amount withdrawn from reserves last year.

During the year we bought 4,861 shares to be held in Treasury for a total consideration of £1.8 million and issued or sold from Treasury 220,146 shares for a total consideration of £87.6 million. It is the policy of the Board that our shares should at all times be readily realisable by individual holders at as close as possible to their net asset value, and it is satisfying to report that since 8 November 1999, 'Discount Freedom Day', when investment trusts were empowered to use capital to buy back shares and hence to control the discount to net assets at which their shares sell, Personal Assets' share price has risen almost exactly in line with shareholders' funds per share while the number of shares outstanding has risen by more than five times, from 369,121 to 1,960,127.

In June last year the UK voted to leave the European Union. Whatever one thinks of the decision itself, there is no denying that the stock market welcomed the result of the vote — or, perhaps more accurately, it welcomed the fall in Sterling which it precipitated. This June we face a General Election. Anything can happen after a year which gave us Brexit and President Trump, and the Board is taking nothing for granted.

Last year I welcomed Jean Sharp to the Board and we have already benefited from her fresh thinking and incisive contributions to our debates. This year we bid farewell to Stuart Paul, who is retiring after eight years as a Director. Personal Assets owes him a great debt for his stimulating and provocative insights. We shall miss him in our deliberations and we wish him well for the future.

Hamish Buchan

INVESTMENT ADVISER'S REPORT

Over the past three years Personal Assets Trust's net asset value per share ("NAV") has made steady, if unspectacular, progress. During this year's strong market our NAV rose by 8.6% while the FTSE All-Share Index ("our comparator" or "the index") was up by 15.8%. In the weaker market conditions of the two years to 30 April 2016 our NAV also rose, gaining 4.8% and 5.0% respectively compared to the 3.9% gain and 9.0% loss by our comparator. This demonstrates yet again how the distribution of our investments, which differs widely from that of the index, so often makes the comparison (whether on the upside or the downside) less than helpful. Our priority is to preserve and grow capital, in that order, and Personal Assets has never invested with reference to the index. Last year's NAV return was generated at a time when, for reasons of caution, we had materially less than 50% of shareholders' funds invested in equities. Until we are more fully invested, our returns are likely to continue to differ markedly from those of the stock market.

In the past year, much has changed from a political standpoint (such as Britain's decision to leave the EU and the election of Donald Trump) but little has changed from an economic standpoint and nothing has changed regarding our main concern — the valuations of asset classes. These are more stretched than ever, particularly after the 'Brexit boom' in UK share prices, and it all feels very 'late cycle'. While at 96 months the US stock market has enjoyed the second longest bull market since 1945 (according to *Fortune*), it doesn't 'feel' like a bubble. Today's mood music is elevator musak rather than heavy metal. Most investors we talk to are not *thinking* bullishly, but are *acting* bullishly. The disappearance of income from traditional safe-haven assets such as cash and government bonds has led income-conscious investors to chase yield in the manner of a relay race, when, after each lap, savers and investors have to change to the outside lane and reach out further across the risk asset class spectrum. Traditional measures of valuation insist that equities, led by US indices, are expensive by historical standards. The US market's cyclically adjusted price earnings ("CAPE") ratio is currently 29.2x compared to its long term *average* of 16.8x, a level only 'bettered' by the levels at the end of the 'Roaring Twenties' and on the eve of the 2000 implosion of technology stocks.

Amid the dearth of attractive opportunities, portfolio turnover last year was minimal. We added to American Express, Berkshire Hathaway and A.G. Barr and added a new holding in Franco-Nevada while reducing British American Tobacco after years of very strong performance. A.G. Barr's share price had been the victim of a confluence of negative issues. Some of these will prove temporary – it will not always rain in Glasgow – while others, such as the introduction of the proposed sugar levy in the UK, should prove manageable. We bought the shares at a much lower valuation than that which prevailed just a few years ago. Franco-Nevada is a precious metals royalty company, so receives payment from other companies' mine production. The company's entrepreneurial management team has an excellent track record in investing counter-cyclically and prides itself on maintaining a 'fortress' balance sheet.

Valuation as an indicator of future return is important to us because it is one of the few inputs we don't have to predict. When virtually all asset classes are overvalued, only high levels of liquidity will help us avoid the coming falls. This is because, with both conventional bonds *and* equities looking expensive, traditional diversification may not protect to the extent that it did in the past while paying for protection through options is still expensive, and once options expire the capital has gone. Our preference is to hold our portfolio insurance in the form of gold. This should act as a long duration hedge, protecting us from the currently unanticipated risk of inflation or deflation. Moreover, gold benefits from being no one else's liability, so there is no counterparty risk.

While other investors are ever more tempted to increase risk, our role as prudent asset allocators is to do the opposite. The Company's allocation to risk assets is relatively low. Our emphasis remains on quality in equities and on short duration index-linked bonds. Waiting for the prospect of higher returns requires much discipline and patience. As Jean-Jacques Rousseau, the eighteenth century Swiss polymath, wryly noted, '*Patience is bitter, but its fruit is sweet*'.

Sebastian Lyon

STRATEGIC REPORT FOR THE YEAR TO 30 APRIL 2017

INTRODUCTION

The report which follows is designed to provide shareholders with information about:

- the environment within which the Company operates;
- the Board's strategy for achieving its stated objectives;
- principal risks and risk management; *and*
- shareholders' returns measured against key performance indicators.

PRINCIPAL ACTIVITY AND STATUS

The Company is incorporated in Scotland (registered number SC074582). It is an investment company as defined by Section 833 of the Companies Act 2006. It carries on the business of an investment trust and has been approved as such by HM Revenue & Customs.

The Company has a wholly owned subsidiary, incorporated in Scotland, PATAC Limited ("PATAC"), which provides secretarial and administrative services to the Company and five other investment trust companies. PATAC also provides Alternative Investment Fund Manager ("AIFM") and discount control services.

INVESTMENT POLICY

The Company is an investment trust with the ability to invest globally. Its investment policy is to protect and increase (*in that order*) the value of shareholders' funds per share over the long term. While the Company uses the FTSE All-Share Index (the "All-Share") as its comparator for the purpose of monitoring performance and risk, the composition of the All-Share has no influence on investment decisions or the construction of the portfolio. As a result, the Company's investment performance is likely to diverge from that of the All-Share. Our definition of "risk" is fundamentally different from that commonly used by other global investment trusts and the industry at large (ours being "risk of losing money" rather than "volatility of returns relative to an index"). Taking this as our definition of risk, the Board will usually, although not invariably, prefer the Company's portfolio as a whole to have a lower level of risk than the All-Share.

The Company will invest in equities and fixed income securities and it may also hold cash and cash equivalents (which may, depending on circumstances, include gold). The Company may use derivatives as a way of increasing or reducing its investment exposure and to enhance and protect investment positions. The Company may also from time to time make use of currency hedging.

The Company has no predetermined maximum or minimum levels of exposure to asset classes, currencies or geographic areas but these exposures are reported to, and monitored by, the Board in order to ensure that adequate diversification is achieved. The Company's equity portfolio is typically concentrated in a short list of stocks and turnover tends to be low. No holding in an individual company will represent more than 10 per cent. by value of the Company's total assets at the time of acquisition.

The Company is prepared to make use of both gearing and liquidity, the former by using short-term borrowed funds or derivatives such as FTSE 100 Futures. The Company's gearing will not exceed 50 per cent. of shareholders' funds in aggregate. In exceptional circumstances, the Company's liquidity could be as high as 100 per cent. of shareholders' funds. These limits would not be exceeded without shareholder approval.

The Company may also invest in other investment trusts, especially as a way of gaining exposure to a region or industry in which the Company preferred not to invest directly. The Company's policy is not to invest more than 15 per cent. of its total assets in other investment trusts and other listed investment companies.

An analysis of the investment portfolio at 30 April 2017 can be found on page 7.

BUSINESS MODEL AND STRATEGY FOR ACHIEVING OBJECTIVES

Personal Assets is run expressly for private investors. Its capital structure is the simplest possible for an investment trust, consisting only of Ordinary shares.

The Company is a self-managed investment trust run by its Board, which takes all major investment decisions collectively. Five of the Directors are male and one is female. In order to conform with the EU's Alternative Investment Fund Managers Directive (the "AIFMD") the Board appointed its subsidiary, PATAC Limited, as its AIFM. The day-to-day management of the portfolio has been delegated by the AIFM to Troy Asset Management Limited ("Troy"), the Investment Adviser, and is the responsibility of Sebastian Lyon, the Chief Executive of Troy, in particular.

The Directors, Sebastian Lyon and their respective families have substantial shareholdings in the Company (see below and pages 21 and 24) and those who run the Company therefore have a common interest with those who invest in it.

A review of the Company's returns during the financial year, the position of the Company at the year end and the outlook for the coming year are contained within the Chairman's Statement and Investment Adviser's Report on pages 2 and 3.

INVESTMENT ADVISER

Troy provides investment advisory services to the Company.

During the year the Board has reviewed the appropriateness of the Investment Adviser's appointment. In carrying out its review the Board considered the investment performance of the Company since the appointment of Troy and the capability and resources of the Investment Adviser to deliver satisfactory investment performance. It also considered the length of the notice period of the investment advisory agreement and the fees payable to the Investment Adviser, details of which can be found in note 3 on page 16.

Following this review the Directors are confident of the Investment Adviser's ability to deliver satisfactory investment performance. It is therefore their opinion that the continuing appointment of the Investment Adviser, on the terms agreed, is in the interests of shareholders.

At 30 April 2017 Sebastian Lyon had an interest in 10,429 (2016: 9,723) shares of the Company. Since 30 April 2017 Mr Lyon has acquired a beneficial interest in an additional 1,200 shares.

DIVIDEND POLICY

The Company aims to pay as high, secure and sustainable a dividend as is compatible with protecting and increasing the value of its shareholders' funds and maintaining its investment flexibility.

DISCOUNT AND PREMIUM CONTROL POLICY

Investment trusts have long suffered from volatile discounts to net asset value. Sometimes, too, the shares of individual investment trusts may sell temporarily at a significant premium to net asset value. This can put those investing regularly through investment plans at a disadvantage, because they may find themselves buying shares at a sizeable premium which almost certainly will not be sustained and which will therefore have an adverse effect on the return from their investment.

In view of the disadvantages to shareholders of such discount and premium fluctuations, the Company's policy is to ensure that its shares always trade at close to net asset value through a combination of share buy-backs and the issue of new or Treasury shares at a small premium to net asset value where demand exceeds supply. This discount and premium control policy is enshrined in the Articles of Association of the Company.

Performance

The Board assesses its performance in meeting the Company's objectives against the following Key Performance Indicators, details of which can be found in the Key Features on page 1 or, in the case of the volatility of the share price, on page 10 under the heading Volatility and Share Price Performance Since 30 April 2000:

- share price and net asset value per share against the FTSE All-Share Index over the long term whilst aiming to protect and increase *(in that order)* the value of shareholders' funds per share in accordance with the Company's investment objective;
- volatility of the share price compared to that of the FTSE All-Share Index, the five trusts included within the AIC Flexible Investment Sector and the 19 trusts included within the AIC Global Sector; *and*
- the range and volatility of the discount or premium to net asset value at which the Company's shares trade, in order to ensure compliance with its discount and premium control policy enshrined in the Articles of Association of the Company.

Competitive and Regulatory Environment

The Company is an investment trust quoted on the London Stock Exchange and is a member of the Association of Investment Companies ("AIC").

The Company operates so as to comply with Section 1158 of the Corporation Tax Act 2010, which allows it to be exempted from capital gains tax on investment gains.

In addition to publishing annual and interim accounts the Company announces net asset values per Ordinary share daily and provides more detailed statistical information on a monthly basis to the AIC in order to enable investors and brokers to compare its performance and other relevant information with those of its peer group, the AIC Flexible Investment Sector.

The Company also publishes quarterly reports on subjects of investment interest to shareholders together with portfolio information and performance statistics.

Principal Risks and Risk Management

The Board believes that the principal risks to shareholders, which it seeks to mitigate through continual review of its investments and through shareholder communication, are events or developments which can affect the general level of share prices, including, for instance, inflation or deflation, economic recessions and movements in interest rates and currencies.

Other risks faced by the Company include breach of regulatory rules which could lead to suspension of the Company's Stock Exchange listing, financial penalties, or a qualified audit report. Breach of Section 1158 of the Corporation Tax Act 2010 could lead to the Company being subject to tax on capital gains. Details of the Company's financial risks are contained in the Notes to the Accounts on pages 15–20.

In the mitigation and management of these risks, the Board regularly monitors the investment environment and the management of the Company's investment portfolio, and applies the principles detailed in the guidance provided by the Financial Reporting Council. The Company's internal controls are described in more detail on page 28.

By Order of the Board

Steven K Davidson ACIS
Secretary
10 St Colme Street
Edinburgh EH3 6AA

1 June 2017

PORTFOLIO AT 30 APRIL 2017

Security	Country	Equity Sector	Shareholders' Funds %	Valuation 30 April 2017 £'000	Bought/ (sold) £'000	Gain/ (loss) £'000
Equities						
British American Tobacco	UK	Tobacco	5.0%	38,790	(1,903)	8,108
Philip Morris	USA	Tobacco	4.9%	38,521	–	8,295
Microsoft	USA	Software	3.6%	28,397	–	10,069
Nestlé	Switzerland	Food Producer	3.6%	28,146	–	4,022
Coca-Cola	USA	Beverages	3.5%	26,992	–	2,161
Altria	USA	Tobacco	2.7%	21,063	–	4,748
Sage Group	UK	Technology	2.3%	18,077	–	2,093
Berkshire Hathaway	USA	Insurance	2.1%	16,270	1,524	3,407
Colgate Palmolive	USA	Personal Products	2.0%	15,741	–	2,003
Unilever	UK	Food Producer	2.0%	15,449	–	3,567
Dr Pepper Snapple	USA	Beverages	1.9%	14,724	–	1,785
Imperial Oil	Canada	Oil & Gas	1.8%	14,371	2,635	(497)
American Express	USA	Financial Services	1.7%	13,469	1,509	3,452
Becton Dickinson	USA	Pharmaceuticals	1.7%	12,995	–	3,066
GlaxoSmithKline	UK	Pharmaceuticals	1.2%	9,760	–	576
A.G. Barr	UK	Beverages	1.2%	9,508	2,706	1,207
Diageo	UK	Beverages	1.2%	9,188	–	1,638
Procter & Gamble	USA	Household Products	1.1%	8,763	–	1,636
Franco-Nevada	Canada	Mining	0.6%	5,080	4,973	107
Agnico Eagle Mines	Canada	Mining	0.6%	4,782	(2,149)	808
Hershey	USA	Food Producer	0.5%	3,760	3,767	(7)
PZ Cussons	UK	Personal Products	0.5%	3,676	–	131
Total Equities			**45.7%**	**357,522**	**13,062**	**62,375**
US TIPS	USA		19.3%	150,931	32,353	9,702
UK Index-Linked Gilts	UK		4.1%	31,675	–	3,259
UK T-BILLS	UK		14.7%	114,982	4,821	240
Gold Bullion			10.0%	78,369	–	7,878
Total Investments			**93.8%**	**733,479**	**50,236**	**83,454**
UK Cash and cash equivalents			4.5%	34,914	n/a	n/a
Overseas Cash and cash equivalents			0.0%	12	n/a	n/a
Net current assets			1.7%	13,094	n/a	n/a
TOTAL PORTFOLIO			**100.0%**	**781,499**	**n/a**	**n/a**

GEOGRAPHIC ANALYSIS OF INVESTMENTS AND CURRENCY EXPOSURE AT 30 APRIL 2017

	UK %	USA %	Canada %	Switzerland %	Total %
Equities	13	26	3	4	46
Index-Linked Securities	4	19	–	–	23
T-Bills	15	–	–	–	15
Gold Bullion	–	10	–	–	10
Cash and cash equivalents	4	–	–	–	4
Net current assets	2	–	–	–	2
Total	**38**	**55**	**3**	**4**	**100**
Net currency exposure %	71	22	3	4	100

RECORD 1990-2017

Date 30 April	Share-holders' Funds £'000	Shares Out-standing	Net asset value per share (£)	Share Price (£)	FTSE All-Share Index	Earnings per share[1] (£)	Dividend per share (£)	Dividend Growth (%)	Inflation (RPI) (%)
1990[2]	8,462	149,313	56.67	39½	1,043.16	1.09	1.00	n/a	n/a
1991	9,006	149,313	60.32	48½	1,202.75	1.45	1.50	50.0	6.4
1992	10,589	149,313	70.92	66	1,282.75	1.67	1.60	6.7	4.3
1993	11,441	152,187	75.18	81½	1,388.88	2.52	1.80	12.5	1.3
1994	12,987	152,187	85.34	89½	1,580.44	2.12	1.95	8.3	2.6
1995	13,939	152,187	91.59	87	1,578.67	2.00	2.00	2.6	3.3
1996	19,473	169,173	115.11	118½	1,914.61	2.90	2.20	10.0	2.4
1997	27,865	208,114	133.89	141¼	2,135.31	3.01	2.30	4.5	2.4
1998	48,702	270,250	180.21	199½	2,788.99	3.57	2.45	6.5	4.0
1999	65,200	323,966	201.26	202½	3,028.40	3.67	2.55	4.1	1.6
2000	73,751	369,121	199.80	202	3,001.92	2.98	2.62½	2.9	3.0
2001	78,000	376,750	207.03	208½	2,869.04	3.27	2.70	2.9	1.8
2002	92,430	454,472	203.38	209½	2,512.04	3.88	2.80	3.7	1.5
2003	104,324	559,925	186.32	193¾	1,891.50	3.40	2.90	3.6	3.1
2004	134,770	641,253	210.17	214½	2,237.34	3.98	3.10	6.9	2.5
2005	149,834	677,185	221.26	224¾	2,397.05	3.41	3.40	9.7	3.2
2006	189,351	739,234	256.14	259¼	3,074.26	3.78	3.70	8.8	2.6
2007	192,416	726,921	264.70	266	3,355.60	4.95	4.10	10.8	4.5
2008	188,664	733,051	257.37	258¼	3,099.94	5.59	4.60	12.2	4.2
2009	171,132	745,231	229.64	233	2,173.06	5.34	5.00	8.7	(1.2)
2010	233,785	815,281	286.75	289½	2,863.35	4.61	5.20	4.0	5.3
2011	310,000	984,803	314.78	318	3,155.03	5.68	5.40	3.8	5.2
2012	463,473	1,380,659	335.69	$340\frac{7}{10}$	2,984.67	7.23	5.55	2.8	3.5
2013	593,245	1,685,901	351.89	357	3,390.18	5.69	5.60	0.9	2.9
2014	573,237	1,717,447	333.77	$331\frac{9}{10}$	3,619.83	4.78	5.60	0.0	2.5
2015	609,745	1,742,956	349.83	$350\frac{7}{10}$	3,760.06	3.65	5.60	0.0	0.9
2016	640,624	1,744,842	367.15	372½	3,421.70	4.78	5.60	0.0	1.3
2017	**781,499**	**1,960,127**	**398.70**	**$405\frac{4}{10}$**	**3,962.49**	**6.20**	**5.60**	**0.0**	**3.5**

Compound growth rates per annum	(%)	(%)	(%)	(%)	(%)		(%)
3 Years	6.1	6.9	3.1	9.1	0.0	–	1.9
5 Years	3.5	3.5	5.8	(3.0)	0.2	–	2.2
10 Years	4.2	4.3	1.7	2.3	3.2	–	2.8
Since 30 April 1990	7.5	9.0	5.1	6.7	6.6	–	2.9

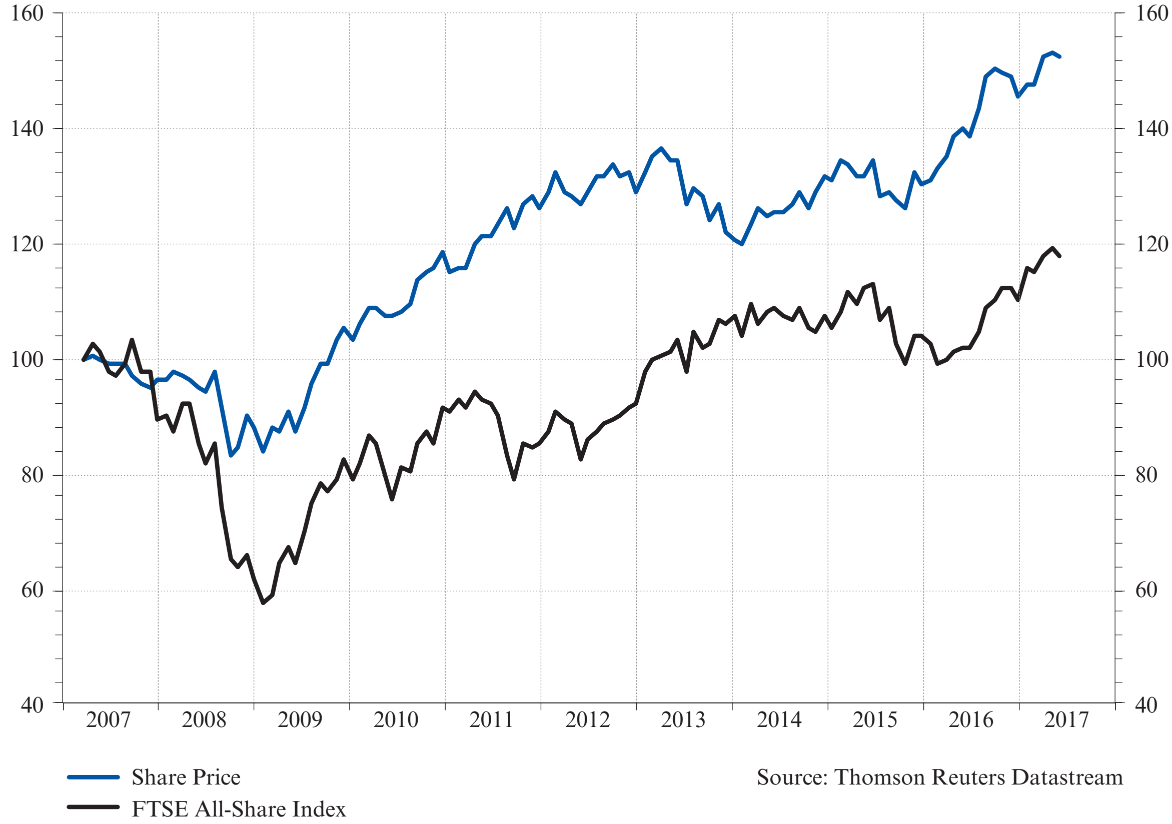
Shares outstanding and per share values have been adjusted for the 1 for 100 consolidation of Ordinary shares in January 1993 and exclude shares held in Treasury.

[1] Based on the weighted average number of shares in issue during the year.

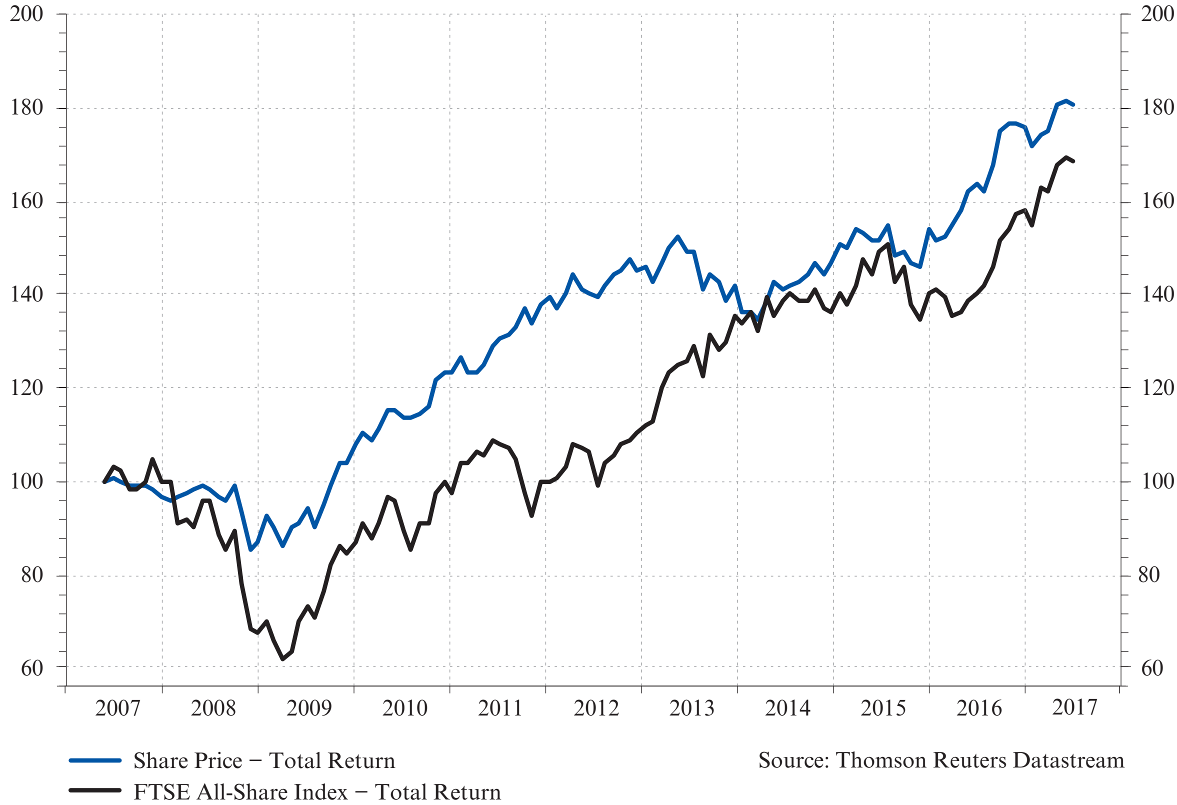
[2] Personal Assets Trust became self-managed in 1990.

Ten Year Performance

Share Price versus FTSE All-Share Index (based to 100)



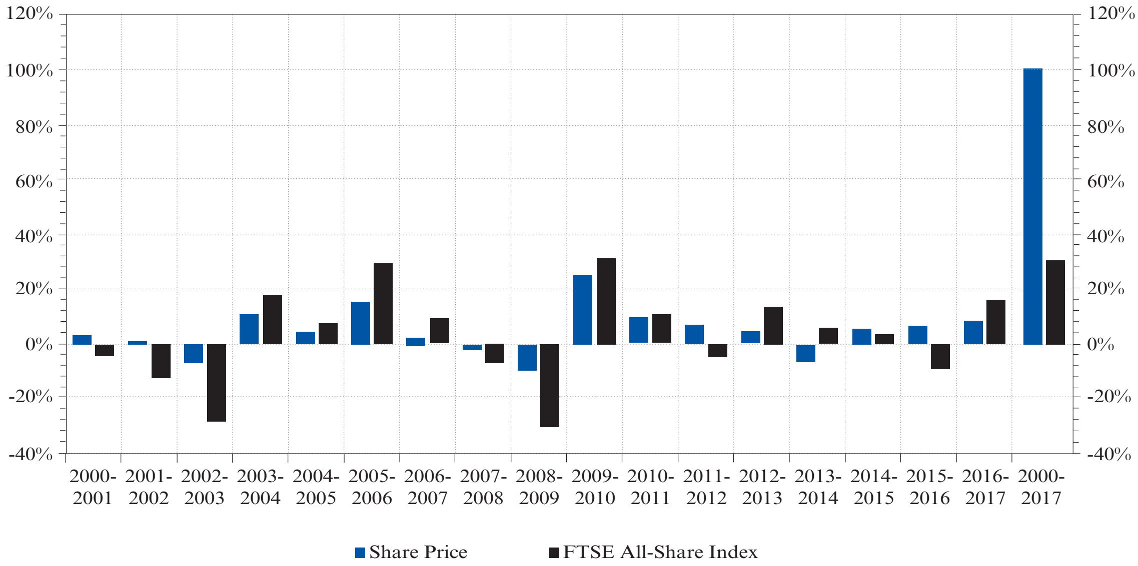
Share Price Total Return versus FTSE All-Share Index Total Return (based to 100)



ANNUAL PERFORMANCE SINCE 30 APRIL 2000

Note: The first chart on this page is designed to show the share price volatility of Personal Assets compared to that of the FTSE All-Share Index. The chart shows how, with the exception of the 2013-2014 aberration, the Company's capital performance has tended to be less volatile than that of the All-Share but how, even taking 2013-2014 into account, the Company's long-term price gain of 100.7% since April 2000 has comfortably exceeded the All-Share's 32.0%.

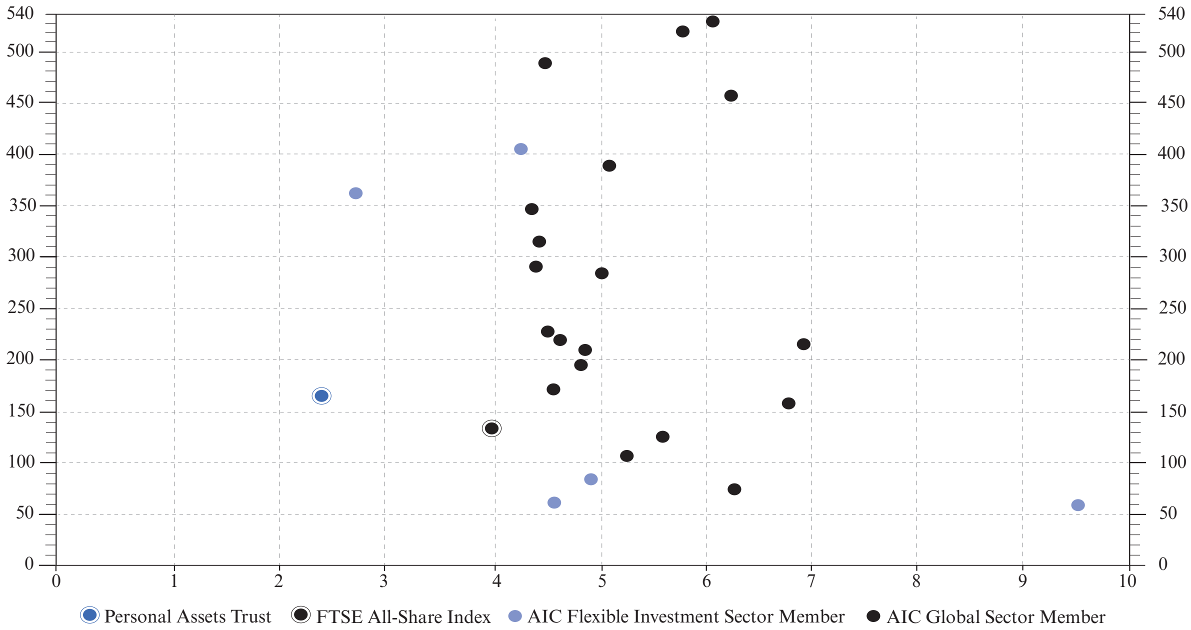
Annual percentage change in Share Price and FTSE All-Share Index to 30 April



VOLATILITY AND SHARE PRICE PERFORMANCE SINCE 30 APRIL 2000

Note: The Scatter Graph shows the performance of Personal Assets (large blue dot) and the FTSE All-Share Index (large black dot) compared to that of the other five trusts included within the AIC Flexible Investment Sector and the 19 trusts included within the AIC Global Sector (within which the Company was included between 2000 and 2016), in terms of share price (vertical axis) and monthly price volatility (horizontal axis) since 30 April 2000. Only the trusts in existence on 30 April 2000 have been included in the chart below. Personal Assets, while performing better than the All-Share over the period, shows up as the least volatile of all the trusts.

Volatility Compared to Peer Group since 30 April 2000



GROUP INCOME STATEMENT

		Year ended 30 April 2017			Year ended 30 April 2016		
		Revenue	Capital		Revenue	Capital	
		return	return	Total	return	return	Total
	Notes	£'000	£'000	£'000	£'000	£'000	£'000
Investment income	2	**15,088**	**–**	**15,088**	11,283	–	11,283
Other operating income	2	**751**	**–**	**751**	619	–	619
Gains on investments held at fair value through profit or loss	8	**–**	**83,454**	**83,454**	–	41,467	41,467
Foreign exchange losses	8	**–**	**(26,403)**	**(26,403)**	–	(8,475)	(8,475)
Total income		**15,839**	**57,051**	**72,890**	11,902	32,992	44,894
Expenses	3	**(3,716)**	**(3,139)**	**(6,855)**	(3,054)	(2,691)	(5,745)
Profit before taxation		**12,123**	**53,912**	**66,035**	8,848	30,301	39,149
Taxation	5,6	**(685)**	**–**	**(685)**	(594)	–	(594)
Profit for the year		**11,438**	**53,912**	**65,350**	8,254	30,301	38,555
Return per share		**£6.20**	**£29.25**	**£35.45**	£4.78	£17.55	£22.33

The "Profit for the Year" is also the "Total Comprehensive Income for the Year", as defined in IAS1 (revised), and no separate Statement of Comprehensive Income has been presented.

The "Total" column of this statement represents the Group's Income Statement, prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRSs").

The Revenue return and Capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.

Return per share is calculated on 1,843,254 (2016: 1,726,867) shares, being the weighted average number in issue (excluding Treasury shares) during the year.

All items in the above statement derive from continuing operations.

The Notes to the Accounts on pages 15–20, including the accounting policies on pages 15 and 16, form part of these accounts.

STATEMENTS OF FINANCIAL POSITION

	Notes	**Group 30 April 2017 £'000**	**Company 30 April 2017 £'000**	Group 30 April 2016 £'000	Company 30 April 2016 £'000
Non-current assets					
Investments held at fair value through profit or loss	8	**733,479**	**733,966**	599,789	600,173
Current assets					
Financial assets held at fair value through profit or loss	9	**10,666**	**10,666**	2,896	2,896
Receivables	9	**5,052**	**5,002**	1,963	1,918
Cash and cash equivalents		**34,926**	**34,495**	37,278	36,913
Total assets		**784,123**	**784,129**	641,926	641,900
Current liabilities					
Payables	10	**(2,624)**	**(2,630)**	(1,302)	(1,276)
Net assets		**781,499**	**781,499**	640,624	640,624
Capital and reserves					
Ordinary share capital	11	**24,502**	**24,502**	21,848	21,848
Share premium		**488,444**	**488,444**	406,302	406,302
Capital redemption reserve		**219**	**219**	219	219
Special reserve		**22,517**	**22,517**	22,517	22,517
Treasury share reserve		**–**	**–**	(1,039)	(1,039)
Capital reserve		**244,655**	**244,692**	190,743	190,777
Revenue reserve		**1,162**	**1,125**	34	–
Total equity		**781,499**	**781,499**	640,624	640,624
Shares in issue at year end	11	**1,960,127**	**1,960,127**	1,744,842	1,744,842
Net asset value per Ordinary share		**£398.70**	**£398.70**	£367.15	£367.15

The Company has availed itself of the relief from showing an Income Statement for the parent company, granted under Section 408 of the Companies Act 2006. The profit of the Company for the year ended 30 April 2017 was £65,347,000.

The financial statements were approved and authorised for issue by the Board of Directors and signed on its behalf on 1 June 2017 by:

Hamish N Buchan
Chairman

The Notes to the Accounts on pages 15–20, including the accounting policies on pages 15 and 16, form part of these accounts.

GROUP AND COMPANY STATEMENTS OF CHANGES IN EQUITY[1]

For the year ended 30 April 2017	Ordinary share capital £'000	Share premium £'000	Capital redemption reserve £'000	Special reserve £'000	Treasury share reserve £'000	Capital reserve[2] £'000	Revenue reserve £'000	Total £'000
Balance at 30 April 2016	21,848	406,302	219	22,517	(1,039)	190,743	34	640,624
Profit for the year	–	–	–	–	–	53,912	11,438	65,350
Ordinary dividends paid[3]	–	–	–	–	–	–	(10,310)	(10,310)
Issue and reissue of Ordinary shares[4]	2,654	82,142	–	–	2,837	–	–	87,633
Buybacks of Ordinary shares	–	–	–	–	(1,798)	–	–	(1,798)
Balance at 30 April 2017	**24,502**	**488,444**	**219**	**22,517**	**–**	**244,655**	**1,162**	**781,499**

For the year ended 30 April 2016	Ordinary share capital £'000	Share premium £'000	Capital redemption reserve £'000	Special reserve £'000	Treasury share reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 30 April 2015	21,845	404,762	219	22,517	(1,511)	161,177	736	609,745
Profit for the year	–	–	–	–	–	30,301	8,254	38,555
Ordinary dividends paid[3]	–	–	–	–	–	(735)	(8,956)	(9,691)
Issue and reissue of Ordinary shares[4]	3	1,540	–	–	18,917	–	–	20,460
Buybacks of Ordinary shares	–	–	–	–	(18,445)	–	–	(18,445)
Balance at 30 April 2016	**21,848**	**406,302**	**219**	**22,517**	**(1,039)**	**190,743**	**34**	**640,624**

(1) The Company's reserves are the same as the Group's other than the Capital Reserve, which is £244,692,000 (2016: £190,777,000), and the Revenue Reserve, which is £1,125,000 (2016: £nil). The differences relate to the profit generated by the Company's subsidiary.

(2) The Group and Company Capital reserve at 30 April 2017 includes realised capital reserves of £27,189,000 (2016: £62,486,000).

(3) See Note 7.

(4) See Note 11.

Share premium. The share premium represents the difference between the nominal value of new Ordinary shares issued and the consideration the Company receives for these shares.

Capital redemption reserve. The capital redemption reserve represents the nominal value of Ordinary shares bought back for cancellation since authority to do this was first obtained at a General Meeting in April 1999.

Special reserve. The cost of any shares bought back for cancellation is deducted from the special reserve, which is a distributable reserve and was created from the share premium, also following a General Meeting in April 1999.

Treasury share reserve. The net cost of any shares bought back to be held in Treasury.

Capital reserve. Gains and losses on the realisation of investments, gains and losses on the realisation of FTSE 100 Future contracts, realised exchange differences of a capital nature and returns of capital are accounted for in this Reserve. Increases and decreases in the valuation of investments held at the year end, unrealised gains and losses on FTSE 100 Future contracts and unrealised exchange differences of a capital nature are also accounted for in this Reserve.

Revenue reserve. Any surplus/deficit arising from the revenue profit/loss for the year is taken to/from this Reserve.

The Notes to the Accounts on pages 15–20, including the accounting policies on pages 15 and 16, form part of these accounts.

CASH FLOW STATEMENTS

	Group Year ended 30 April 2017 £'000	**Company Year ended 30 April 2017 £'000**	Group Year ended 30 April 2016 £'000	Company Year ended 30 April 2016 £'000
Cash flows from operating activities				
Profit before taxation	**66,035**	**66,032**	39,149	39,146
Gains on investments including effective yield	**(87,954)**	**(87,954)**	(43,230)	(43,230)
Foreign exchange losses	**26,403**	**26,403**	8,475	8,475
Operating cash flow before movements in working capital	**4,484**	**4,481**	4,394	4,391
Increase in other receivables	**(84)**	**(79)**	(150)	(131)
Increase in other payables	**184**	**216**	55	61
Net cash from operating activities before taxation	**4,584**	**4,618**	4,299	4,321
Taxation	**(895)**	**(895)**	(750)	(750)
Net cash inflow from operating activities	**3,689**	**3,723**	3,549	3,571
Investing activities				
Purchase of investments – equity shares	**(15,977)**	**(16,077)**	(21,283)	(21,283)
Purchase of investments – fixed interest and other investments	**(569,673)**	**(569,673)**	(418,189)	(418,189)
Disposal of investments – equity shares	**1,914**	**1,914**	14,941	14,941
Disposal of investments – fixed interest and other investments	**537,000**	**537,000**	454,792	454,792
Forward foreign exchange losses	**(34,710)**	**(34,710)**	(4,747)	(4,747)
Net cash (outflow)/inflow from investing activities	**(81,446)**	**(81,546)**	25,514	25,514
Financing activities				
Equity dividends paid	**(10,310)**	**(10,310)**	(9,691)	(9,691)
Issue of Ordinary shares	**83,846**	**83,846**	101	101
Cost of share buybacks	**(1,798)**	**(1,798)**	(18,445)	(18,445)
Reissue of Ordinary shares from Treasury	**3,130**	**3,130**	20,287	20,287
Net cash inflow/(outflow) from financing activities	**74,868**	**74,868**	(7,748)	(7,748)
(Decrease)/increase in cash and cash equivalents	**(2,889)**	**(2,955)**	21,315	21,337
Cash and cash equivalents at the start of the year	**37,278**	**36,913**	15,844	15,457
Effect of foreign exchange rate changes	**537**	**537**	119	119
Cash and cash equivalents at the end of the year	**34,926**	**34,495**	37,278	36,913
Net cash inflow from operating activities includes the following:				
Dividends received	**9,233**	**9,233**	7,891	7,891
Interest received	**1,320**	**1,320**	1,691	1,691

The Notes to the Accounts on pages 15–20, including the accounting policies on pages 15 and 16, form part of these accounts.

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

The financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRSs"). These comprise standards and interpretations approved by the International Accounting Standards Board ("IASB"), together with such interpretations by the International Accounting Standards and Standing Interpretations Committee as have been approved by the IASB and still remain in effect, to the extent that these have been adopted by the European Union.

The financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

The principal accounting policies adopted are set out below. Where the presentational guidance set out in the Statement of Recommended Practice (the "SORP") for investment trusts issued by the Association of Investment Companies (the "AIC") in November 2014 is consistent with the requirements of IFRSs, the Directors have sought to prepare the financial statements on a basis compliant with the recommendation of the SORP.

Certain new standards, including IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers, have been issued but are not effective for this accounting period. These have not been adopted early and the Group does not consider that the future adoption of any new standards, in the form currently available, will have any material impact on the financial position and performance as presented.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (its subsidiary) made up to 30 April each year. Control is achieved if, and only if, the Group has power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee); exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect its returns. The subsidiary is not considered an investment entity in the context of IFRS 10. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

PRESENTATION OF INCOME STATEMENT

In order better to reflect the activities of an investment trust company, and in accordance with guidance issued by the AIC, supplementary information which analyses the Income Statement between items of a revenue and capital nature has been presented alongside the Income Statement.

INCOME

Dividends are recognised as income when the shareholders' right to receive payment has been established, normally the ex-dividend date.

Dividends receivable on equity shares where no ex-dividend date is quoted are recognised when the Company's right to receive payment is established.

Where the Company has received its dividends in the form of additional shares rather than cash, the cash equivalent of the additional shares is recognised as income.

Dividends from overseas companies are shown gross of withholding tax.

Special dividends are classified as either revenue or capital depending on their nature.

Fixed interest returns on non-equity securities are recognised on a time apportionment basis so as to reflect the effective yield on the investment, being amortisation of premium/accretion of discount spread over the life of the investment.

Interest income and other income is accounted for on an accruals basis.

EXPENSES

All expenses are accounted for on an accruals basis. Expenses are charged to revenue except those incurred in the maintenance and enhancement of the Company's assets and taking account of the expected long term returns, as follows:

Investment advisory fees have been allocated 35 per cent. to revenue and 65 per cent. to capital.

Transaction costs incurred on the acquisition or disposal of investments are expensed to capital.

TAXATION

In accordance with the SORP, the marginal rate of tax is applied to taxable net revenue.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

INVESTMENTS

Investments are recognised and derecognised on the trade date where a purchase or sale is under a contract the terms of which require delivery within a period of time established by the market concerned, and are measured at fair value being the consideration payable or receivable.

Investments are designated in terms of IFRSs as "investments held at fair value through profit or loss", and are measured at subsequent reporting dates at fair value, which is either the bid price or the last traded price, depending on the convention of the exchange on which the investment is quoted. Investments in unit trusts or OEICs are valued at the closing price released by the relevant investment manager. The subsidiary is held at net asset value adjusted as necessary to represent the best estimate of fair value in preparing the Company's financial statements.

Any gain or loss arising from a movement in investments is included as a gain or loss on investments in the income statement as a capital item.

NOTES TO THE ACCOUNTS (CONTINUED)

1. ACCOUNTING POLICIES (CONTINUED)

FOREIGN CURRENCY

Transactions denominated in foreign currencies are recorded at the actual exchange rate at the date of the transaction. Monetary assets, non-monetary assets and liabilities denominated in foreign currencies at the year end are carried at fair value by using the rate of exchange prevailing at the balance sheet date. The currencies to which the Company was exposed during the year to 30 April 2017 were Canadian Dollars, Swiss Francs and US Dollars. The exchange rates applying against Sterling at 30 April were as follows:

	2017	2016
Canadian Dollar	**1.7671**	1.8338
Swiss Franc	**1.2881**	1.4019
US Dollar	**1.2946**	1.4611

Forward currency contracts are classified as financial assets or liabilities held at fair value through profit or loss and are reported at fair value at the year end by using the forward rate of exchange prevailing at the year end. The change in fair value is recognised in the income statement as a capital item. The forward rate of exchange of the Company's US Dollars to Sterling contract at 30 April 2017, which matures on 21 June 2017, was 1.2966 (2016: 1.46134). Any gain or loss arising from a movement in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the income statement as a revenue or capital item depending on the nature of the gain or loss.

CASH AND CASH EQUIVALENTS

Cash comprises cash in hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

FINANCIAL LIABILITIES AND EQUITY

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Financial liabilities and equity instruments are initially recorded at the proceeds received, net of issue costs. Subsequently financial liabilities are carried at amortised cost.

SIGNIFICANT JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires the Directors to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements and disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods. There have been no significant judgements, estimates or assumptions for the current or preceding financial year.

CAPITAL MANAGEMENT

The Company's capital is represented by its capital and reserves as presented in the Statements of Financial Position on page 12.

The capital of the Company is managed in accordance with its investment policy, in pursuit of its business model and strategy for achieving objectives, both of which are detailed in the Strategic Report on pages 4–6.

2. INCOME

	2017 £'000	2016 £'000
Income from investments		
Franked investment income	**2,953**	2,845
Fixed interest securities	**5,856**	3,268
Overseas dividends	**6,279**	5,170
	15,088	11,283
Other operating income		
Deposit interest	**52**	86
Other income[1]	**699**	533
Total income	**15,839**	11,902

[1] Income generated by PATAC Limited for secretarial, administrative, AIFM and discount control services provided to other investment trust companies.

3. EXPENSES

	2017 Revenue £'000	**2017 Capital £'000**	**2017 Total £'000**	2016 Revenue £'000	2016 Capital £'000	2016 Total £'000
Investment advisory fee[1]	**1,690**	**3,139**	**4,829**	1,449	2,691	4,140
Staff costs	**895**	**–**	**895**	846	–	846
Directors' fees	**110**	**–**	**110**	95	–	95
Auditors' remuneration for:						
– audit	**26**	**–**	**26**	26	–	26
– tax compliance	**9**	**–**	**9**	9	–	9
Other expenses	**986**	**–**	**986**	629	–	629
	3,716	**3,139**	**6,855**	3,054	2,691	5,745

[1] The Company has appointed its subsidiary PATAC Limited as its AIFM. Under the AIFMD agreement the AIFM has delegated the portfolio advisory activities relating to the Company to Troy Asset Management Limited ("Troy") pursuant to a delegation agreement. Troy make a contribution of £60,000 per annum towards the costs of the services provided by the AIFM. The agreement between the Company, the AIFM and Troy is on a rolling six month basis. The fee payable to the Investment Adviser pursuant to the delegation agreement, which is based on the Company's shareholders' funds, is: 0.65 per cent. on the first £750 million; 0.55 per cent. between £750 million and £1 billion; and 0.5 per cent. thereafter, payable quarterly in arrears. In the year to 30 April 2017 the total cost amounted to £4,829,000 (2016: £4,140,000). An amount of £1,249,000 was payable to the Investment Adviser at the year end (2016: £1,080,000). No compensation is payable to the Investment Adviser in the event of termination of the contract over and above payment in respect of the required six months' notice. The contract is also terminable summarily by either party in the event of: material breach by the other party; the occurrence of certain events suggesting the insolvency of the other party or relating to the winding up of the other party; or the negligence, wilful default or fraud of the other party.

3. EXPENSES (CONTINUED)

Details of the Company's ongoing charges can be found at www.patplc.co.uk. The unaudited Ongoing Charges Ratio for the year ended 30 April 2017 was 0.86 per cent. (2016 unaudited: 0.86 per cent.).

4. DIRECTORS' REMUNERATION AND EMPLOYEE COSTS

	2017 £'000	2016 £'000
Directors' fees and salaries	**310**	295
Other salaries	**516**	461
Bonus payments	**28**	42
Pension contributions[1]	**58**	53
Employer's national insurance	**100**	97
	1,012	948

[1] PATAC Limited operates a defined contribution scheme for its employees. The Company has agreed to pay contributions up to 13¹/₃ per cent. of employees' salaries. There are no pension arrangements for Directors or employees of Personal Assets.

Details of the highest paid Director can be found in the Directors' Remuneration Report on pages 24 and 25. Excluding the Directors, there were seven employees during the year ended 30 April 2017 and six employees during the year ended 30 April 2016.

5. TAX ON ORDINARY ACTIVITIES

	2017 £'000	2016 £'000
Foreign tax suffered	**685**	594

A deferred tax asset of £1,946,000 (2016: £1,811,000) in respect of unutilised expenses at 30 April 2017 has not been recognised as it is uncertain that there will be taxable profits from which the future reversal of the deferred tax asset could be deducted.

6. FACTORS AFFECTING TAX CHARGE FOR YEAR

The tax charge for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below:

	2017 £'000	2016 £'000
Profit before tax	**66,035**	39,149
Corporation tax at standard rate of 19.92 per cent. (2016: 20.00 per cent.)	**13,154**	7,830
Effects of:		
Capital gains not subject to taxation	**(11,364)**	(6,598)
Investment income not subject to taxation	**(1,839)**	(1,603)
Excess of expenses over chargeable income	**49**	371
Withholding tax suffered	**895**	750
Recovery of foreign tax suffered	**(210)**	(156)
Total tax charge (note 5)	**685**	594

7. DIVIDENDS

	2017 £'000	2016 £'000
Amounts recognised as distributions to equity holders in the year ended 30 April 2017:		
First interim dividend of £1.40 (2016: £1.40) per Ordinary share	**2,448**	2,447
Second interim dividend of £1.40 (2016: £1.40) per Ordinary share	**2,529**	2,440
Third interim dividend of £1.40 (2016: £1.40) per Ordinary share	**2,630**	2,424
Fourth interim dividend of £1.40 (2016: £1.40) per Ordinary share	**2,703**	2,380
	10,310	9,691

8. INVESTMENTS – GROUP AND COMPANY

	Group 2017 £'000	**Company 2017 £'000**	Group 2016 £'000	Company 2016 £'000
Investments listed on a recognised investment exchange	**655,110**	**655,110**	529,298	529,298
Gold Bullion[1]	**78,369**	**78,369**	70,491	70,491
Subsidiary undertaking ("Sub")	**–**	**487**	–	384
	733,479	**733,966**	599,789	600,173

[1] Holding of physical gold, which is a commodity.

	Listed UK £'000	Listed Overseas £'000	Total £'000	Sub £'000
Opening book cost	191,099	283,327	474,426	350
Opening unrealised appreciation	33,562	91,801	125,363	34
Opening valuation	**224,661**	**375,128**	**599,789**	**384**
Movements in the year				
Purchases at cost	544,526	42,262	586,788	100
Effective yield adjustment[1]	836	3,664	4,500	–
Sales proceeds	(538,903)	(2,149)	(541,052)	–
Sales – realised gains on sales	1,392	624	2,016	–
Unrealised profit on the fair value of investments during the year	18,592	62,846	81,438	3
Total movement during the year	26,443	107,247	133,690	103
Closing valuation	**251,104**	**482,375**	**733,479**	**487**

[1] See Income section of Accounting Policies for a fuller description.

KEY REPORTS 2–10
FINANCIAL STATEMENTS 11–20
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AGM 34–36

NOTES TO THE ACCOUNTS (CONTINUED)

8. INVESTMENTS – GROUP AND COMPANY (CONTINUED)

	Listed UK £'000	Listed Overseas £'000	Total £'000	Sub £'000
Closing book cost	198,950	327,728	526,678	450
Closing unrealised appreciation	52,154	154,647	206,801	37
	251,104	**482,375**	**733,479**	**487**

	2017 £'000	2016 £'000
Represented by:		
Equities	**357,522**	282,085
US TIPS	**150,931**	108,876
UK Index-Linked Gilts	**31,675**	28,416
UK T-Bills	**114,982**	109,921
Gold Bullion	**78,369**	70,491
	733,479	599,789
Realised gains on sales	**2,016**	6,123
Unrealised gain on the fair value of investments during the year	**81,438**	35,344
Realised losses on foreign exchange	**(37,069)**	(11,371)
Unrealised gain on foreign exchange	**10,666**	2,896
Gains on investments	**57,051**	32,992

The valuation of the Company's subsidiary is eliminated on consolidation.

Transaction costs

During the year the Company incurred transaction costs of £39,392 (2016: £72,750) on the purchase of investments and £6,187 (2016: £19,904) on the sale of investments.

9. CURRENT ASSETS

	Group 2017 £'000	**Company 2017 £'000**	Group 2016 £'000	Company 2016 £'000
Financial Assets				
Fair value of forward currency contract	**10,666**	**10,666**	2,896	2,896
Receivables				
Accrued income	**1,458**	**1,458**	1,370	1,370
Tax receivable	**669**	**669**	459	459
Due from brokers	**2,867**	**2,867**	72	72
Prepayments and other receivables	**58**	**8**	62	17
	5,052	**5,002**	1,963	1,918

10. CURRENT LIABILITIES

	Group 2017 £'000	**Company 2017 £'000**	Group 2016 £'000	Company 2016 £'000
Payables				
Due to brokers	**1,138**	**1,138**	–	–
Due to subsidiary	**–**	**64**	–	19
Other payables	**1,486**	**1,428**	1,302	1,257
	2,624	**2,630**	1,302	1,276

11. CALLED-UP SHARE CAPITAL

	Number	£'000
Allotted, called-up and fully paid Ordinary shares of £12.50 each:		
Balance at 30 April 2016	1,747,871	21,848
Shares issued during the year	212,256	2,654
Balance at 30 April 2017	**1,960,127**	**24,502**

Of the above shares in issue the movements in the Ordinary shares held in Treasury are as follows:

	Number	£'000
Balance at 30 April 2016	3,029	38
Shares purchased during the year	4,861	61
Shares reissued during the year	(7,890)	(99)
Balance at 30 April 2017	–	–

The cost of shares purchased and held in Treasury is disclosed in the Statement of Changes in Equity and the Directors' Report. At 30 April 2017 no Shares were held in Treasury (2016: 3,029).

12. BUSINESS SEGMENT

The Directors are of the opinion that the Company is engaged in the single business of investing in equity shares, fixed interest securities and other investments.

13. FINANCIAL INSTRUMENTS

The Group holds investments in listed companies, fixed interest securities and physical gold, holds cash balances and has receivables and payables. It may from time to time also invest in FTSE 100 Futures and enter into forward currency contracts. Cash balances are held for future investment and forward currency contracts are used to manage the exchange risk of holding foreign investments. Further information is given in the Strategic Report for the Year to 30 April 2017 on pages 4–6.

The fair value of the financial assets and liabilities of the Group and Company at 30 April 2017 and at 30 April 2016 is not different from their carrying value in the financial statements.

The Group is exposed to various types of risk that are associated with financial instruments. The most important types are credit risk, liquidity risk, interest rate risk, market price risk and foreign currency risk.

The Board reviews and agrees policies for managing its risk exposures. These policies are summarised below and have remained unchanged for the year under review.

Credit Risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Group.

The Group's principal financial assets are investments, cash balances and other receivables, the carrying value of which represents the Group's maximum exposure to credit risk in relation to financial assets. The Group did not have any exposure to any financial assets which were passed due or impaired at the year end (2016: none).

The Group is exposed to potential failure by counterparties to deliver securities for which the Group has paid, or to pay for securities which the Group has delivered. A list of pre-approved counterparties used in such transactions is maintained and regu-

13. Financial Instruments (continued)

larly reviewed by the Group, and transactions must be settled on a basis of delivery against payment. Broker counterparties are selected based on a combination of criteria, including credit rating, balance sheet strength and membership of a relevant regulatory body. Risk relating to unsettled transactions is considered to be small because of the short settlement period involved and the credit quality of the brokers used.

All of the assets of the Group, other than cash deposits and receivables, are held by J.P. Morgan Chase Bank N.A., the Group's Custodian, acting as a delegate of J.P. Morgan Europe Limited which has been appointed as the Company's Depositary.

Bankruptcy or insolvency of the custodian might cause the Group's rights with respect to the securities held by the custodian to be delayed or limited. The Board monitors the Group's risk by reviewing the custodian's internal control reports on a regular basis.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings, rated A or higher, assigned by international credit rating agencies. Bankruptcy or insolvency of such financial institutions might cause the Group's ability to access cash placed on deposit to be delayed or limited. Credit risk and exposure is spread between two counterparties, with a maximum limit of £25 million to be held at each.

Market Price Risk

The fair value of equity and other financial securities held in the Company's portfolio fluctuates with changes in market prices. Prices are themselves affected by movements in currencies and interest rates and by other financial issues including the market perception of future risks. The Company's strategy for the management of market price risk is driven by the Company's investment policy as outlined within the Strategic Report on pages 4–6. The Board sets policies for managing this risk and meets regularly to review full, timely and relevant information on investment performance and financial results. The management of market price risk is part of the fund management process and is fundamental to investment. The portfolio is managed with an awareness of the effects of adverse price movements in markets with an objective of maximising overall returns to shareholders. Investment and portfolio performance are discussed in more detail in the Investment Adviser's Report and the investment portfolio is set out on page 7.

Any changes in market conditions will directly affect the profit or loss reported through the Income Statement. For instance, a 30 per cent. increase in the value of the investment exposure at 30 April 2017 would have increased net return and net assets for the year by £220,044,000 (2016: a 30 per cent. increase in the value of the investment exposure would have increased net return by £179,937,000). A decrease of 30 per cent. (2016: 30 per cent.) would have had an equal but opposite effect. These calculations are based on investment valuations at the respective balance sheet date and are not representative of the year as a whole.

Liquidity Risk

Liquidity risk is the risk that the Group will encounter in realising assets or otherwise raising funds to meet financial commitments. The risk of the Group not having sufficient liquidity at any time is not considered by the Board to be significant, given the liquid nature of the portfolio of investments and the level of cash and cash equivalents ordinarily held. The Investment Adviser reviews liquidity at the time of each investment decision. The Board reviews liquidity exposure at each meeting.

All of the Group's financial liabilities at 30 April 2017 had a maturity period of less than three months.

Interest Rate Risk

Some of the financial instruments held by the Group are interest bearing. As such, the Group is exposed to interest rate risk resulting from fluctuations in the prevailing market rate.

Floating Rate

When the Group holds cash balances, such balances are held on overnight deposit accounts and call deposit accounts. The benchmark rate which determines the interest payments received on cash balances is the bank base rate, which at 30 April 2017 was 0.50 per cent. in the UK (2016: 0.50 per cent.).

Floating interest rate exposure at 30 April:

	2017	2016
	£'000	£'000
Sterling	**12**	31,025
US Dollar	**34,914**	6,253
	34,926	37,278

Considering effects on cash balances, an increase of 50 basis points in interest rates would have increased net assets and income for the period by £175,000 (2016: £186,000). A decrease of 50 basis points would have had an equal but opposite effect. The calculations are based on the cash balances at the balance sheet date and are not representative of the year as a whole.

Fixed rate and zero rate

The Company may from time to time hold fixed interest or zero interest investments.

Maturity profile

The maturity profile of the Company's fixed interest or zero interest investments at the Balance Sheet date was as follows:

At 30 April 2017:	Within 1 year	Within 1-5 years	More than 5 years
US TIPS	–	150,931	–
UK Index-Linked Gilts	–	–	31,675
UK T-Bills	114,982	–	–
	114,982	150,931	31,675

At 30 April 2016:	Within 1 year	Within 1-5 years	More than 5 years
US TIPS	–	77,313	31,563
UK Index-Linked Gilts	–	–	28,416
UK T-Bills	109,921	–	–
	109,921	77,313	59,979

Foreign Currency Risk

The Company invests in overseas securities and holds cash in overseas currencies.

	2017	2016
Gross currency exposure at 30 April:	**£'000**	£'000
Canadian Dollars	**24,233**	18,356
Swiss Francs	**28,146**	24,124
US Dollars(1)	**430,007**	338,900

(1)At 30 April 2017 the Sterling cost of a portion of the US Dollar denominated assets (including US Treasury Inflation Protected Securities ("TIPS") and US equities) was protected by a forward currency contract. The fair value of £10,666,000 (2016: fair value of £2,896,000) on the US$336,150,000 (2016: US$265,500,000) sold forward against £269,914,000 (2016: £184,579,000) is included in financial assets (2016: financial assets). All foreign exchange contracts in place at 30 April 2017 were due to mature within two months. The exposure to US Dollars as shown above also includes Gold Bullion. At 30 April 2017 the net exposure to US Dollars was £170,760,000 (2016: £157,218,000) including Gold Bullion and £92,391,000 (2016: £86,727,000) excluding Gold Bullion.

13. FINANCIAL INSTRUMENTS (CONTINUED)

Foreign Currency Sensitivity

The following table illustrates the sensitivity of the total return for the year and net assets in relation to the Company's overseas monetary financial assets and financial liabilities. It assumes a 10 per cent. depreciation of Sterling against the Canadian Dollar, Swiss Franc and US Dollar. The sensitivity analysis is based on the Company's monetary foreign currency financial instruments held at each balance sheet date.

If Sterling had weakened by 10 per cent. against the currencies shown, this would have had the following positive effect:

Income statement – return on ordinary activities after taxation:

	2017			2016		
	Revenue £'000	**Capital £'000**	**Total £'000**	Revenue £'000	Capital £'000	Total £'000
Canadian Dollars	**30**	**2,693**	**2,723**	21	2,040	2,061
Swiss Francs	**96**	**3,127**	**3,223**	87	2,680	2,767
US Dollars	**1,219**	**18,973**	**20,192**	778	15,722	16,500
	1,345	**24,793**	**26,138**	886	20,442	21,328

A 10 per cent. strengthening of Sterling against the above currencies would have had an equal but opposite effect on the return on ordinary activities after taxation.

14. FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

				2017				2016
Description	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments	**733,479**	**–**	**487**	**733,966**	599,789	–	384	600,173
Financial assets	**–**	**10,666**	**–**	**10,666**	–	2,896	–	2,896
Total	**733,479**	**10,666**	**487**	**744,632**	599,789	2,896	384	603,069

Level 1 reflects financial instruments quoted in an active market. The Company's investment in Gold Bullion has been included in this level.

Level 2 reflects financial instruments the fair value of which is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique the variables of which include only data from observable markets. The Company's forward currency contract has been included in this level as fair value is achieved using the foreign exchange spot rate and forward points which vary depending on the duration of the contract.

Level 3 reflects financial instruments the fair value of which is determined in whole or in part using a valuation technique based on assumptions that are not supported by prices from observable market transactions in the same instrument and not based on available observable market data. The Company's subsidiary has been included in this level as its valuation is based on its net assets. A reconciliation of Level 3 fair value measurements of financial assets can be found in note 8 on page 17.

15. SUBSIDIARY UNDERTAKING

At 30 April 2017, Personal Assets' subsidiary undertaking, which has been consolidated, was as follows:

Name	**Place of incorporation**	**Business activity**	**Shares owned**	**Percentage of Share Capital owned**
PATAC Limited	Scotland	Company secretarial and administrative services	450,000 Ordinary shares of £1	100

The Company holds the full voting power in the subsidiary undertaking. During the year the subsidiary issued 100,000 Ordinary shares of £1.

16. RELATED PARTY TRANSACTIONS

The Company pays £30,000 per annum for the rental of the Executive Office to Rushbrook & Co LLP, of which Frank Rushbrook is a partner. The notice period on the lease is six months. No amount was outstanding at the year end.

Investment advisory services are provided by Troy Asset Management Limited. The investment advisory fee for the year ended 30 April 2017 was £4,829,000 (2016: £4,140,000). An amount of £1,249,000 was outstanding to the Investment Adviser at 30 April 2017 (2016: £1,080,000).

Secretarial and administrative services are provided by the Company's wholly owned subsidiary, PATAC Limited. Costs, net of third party income, amounted to £250,000 (2016: £250,000) in respect of these services in the year to 30 April 2017. No amounts were outstanding at the year end.

Directors of the Company received fees for their services. An amount of £10,000 was outstanding to the Directors at the year end (2016: £13,000). Further details are provided in the Directors' Remuneration Report on pages 24 and 25. The Directors' shareholdings are also detailed on pages 21 and 24.

17. ALTERNATIVE INVESTMENT FUND MANAGERS DIRECTIVE ("AIFMD")

In accordance with the AIFMD, information in relation to the Company's leverage and the remuneration of the Company's AIFM, PATAC Limited ("PATAC"), is required to be made available to investors. In accordance with the Directive, the AIFM's remuneration policy and remuneration disclosures in respect of the year ended 30 April 2017 are available from PATAC on request.

The Company's maximum and actual leverage levels at 30 April 2017 are shown below:

	Gross Method	Commitment Method
Maximum limit	200%	200%
Actual	128%	133%

There have been no changes to the Company's investor disclosure document in the year to 30 April 2017. The investor disclosure document and all additional periodic disclosures required in accordance with the requirements of the FCA Rules implementing the AIFMD in the UK are made available on the Company's website (www.patplc.co.uk).

DIRECTORS' REPORT

The Directors have pleasure in presenting their Annual Report together with the Accounts of the Company and the Group for the year to 30 April 2017.

BOARD OF DIRECTORS

Hamish Buchan

Joined the Board as a non-executive Director in 2001 and became Chairman in 2009.

Shares held: 1,124 Fees during year: £38,000

He has worked in the investment trust sector since 1969 and headed the award-winning Wood Mackenzie (later, NatWest Securities) trust research team for many years. He is a past Chairman of the Association of Investment Companies.

Other Trust Directorships: Templeton Emerging Markets and The Scottish Investment Trust.

Robin Angus

Joined the Board as a non-executive Director in 1984 and became Executive Director in 2002.

Shares held: 4,529 Fees during year: *nil*
Annual Salary: £200,000

He has worked in the investment trust sector since 1977. He trained as an investment trust manager at Baillie, Gifford & Co and worked with Hamish Buchan for 17 years as an investment trust analyst.

Other Trust Directorships: None.

Gordon Neilly

Joined the Board as a non-executive Director in 1997.

Shares held: 1,917 Fees during year: £19,000

Global Head of Strategy at Aberdeen Asset Management. He was previously Co-Chief Executive Officer of Cantor Fitzgerald Europe, Chief Executive of Intelli Corporate Finance and Finance and Business Development Director of Ivory & Sime. Company Secretary of the Company for ten years, he joined the Board as a non-executive Director in 1997 and has considerable experience and knowledge of investment trusts.

Other Trust Directorships: None

Stuart Paul

Joined the Board as a non-executive Director in 2009.

Shares held: 4,665 Fees during year: £19,000

Formerly Managing Partner of Stewart Investors which invests in Asia Pacific, Global Emerging and other markets worldwide on behalf of its clients. He is a Chartered Accountant and is a Director of Didasko Education Company Ltd.

Other Trust Directorships: None.

Frank Rushbrook

Joined the Board as a non-executive Director in 2009.

Shares held: 13,623 Fees during year: £19,000

A partner in Rushbrook & Co LLP, he has worked in the fund management industry since 1998. Following eleven years at F&C Investment Management Ltd, latterly as Associate Director Continental European Smaller Equities, he co-founded Nettle Capital Management LLP and has considerable experience of European mid and small cap markets.

Other Trust Directorships: None.

Jean Sharp

Joined the Board as a non-executive Director in 2016.

Shares held: 932 Fees during year: £14,826

Chief Taxation Officer of Aviva and its predecessor companies since 1998. She is a Chartered Accountant.

Other Trust Directorships: None.

ACTIVITIES

A review of the Company's activities during the year can be found in the Strategic Report on pages 4–6 and in the Chairman's Statement and Investment Adviser's Report.

RESPONSIBILITY STATEMENT

The Directors are responsible for preparing the Annual Report and the Group financial statements in accordance with applicable United Kingdom law and those International Financial Reporting Standards ("IFRSs") adopted by the European Union.

Under company law the Directors must not approve the Group financial statements unless they are satisfied that they give a true and fair of the state of affairs of the Group and of the profit of the Group for that period. In preparing the Group financial statements the Directors are required to:

- present fairly the financial position, financial performance and cash flows of the Group;
- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state that the Group has complied with IFRSs, subject to any material departures disclosed and explained in the financial statements; *and*
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the Group financial statements comply with the Companies Act 2006 and Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors consider that the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy. In reaching this conclusion the Directors have assumed that the reader of the Annual Report and Accounts has a reasonable level of knowledge of the investment industry.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

RESPONSIBILITY STATEMENTS UNDER THE DISCLOSURE GUIDANCE AND TRANSPARENCY RULES

Each of the Directors listed on page 21 confirms that to the best of her or his knowledge:

- the financial statements, prepared in accordance with IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the undertakings included in the consolidation taken as a whole; *and*
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Group and the undertakings included in the consolidation taken as a whole together with a description of the principal risks and uncertainties that it faces.

GOING CONCERN

The Directors believe, in the light of the controls and review processes reported in the Report of the Audit Committee on page 28 and bearing in mind the nature of the Group's business and assets, which are considered to be readily realisable if required, that the Group has adequate resources to continue operating for at least twelve months from the date of approval of the financial statements. For this reason, they continue to adopt the going concern basis in preparing the accounts.

VIABILITY STATEMENT

The Board considered its obligation to assess the viability of the Company over a period longer than the twelve months from the date of approval of the financial statements required by the 'going concern' basis of accounting.

The Board considers the Company, with no fixed life, to be a long term investment vehicle but, for the purposes of this viability statement, has decided that a period of five years is an appropriate period over which to report. The Board considers that this period reflects a balance between looking out over a long term horizon and the inherent uncertainties of looking out further than five years.

When deciding on this period the Directors considered the nature of the Company's portfolio of liquid investments comprising listed global equities, US TIPS, UK Index-Linked Gilts, UK T-Bills, Gold Bullion and cash and cash equivalents. The Directors also considered the Company's ability to fulfil the stated dividend policy and the operation of its discount and premium control policy.

The Directors have also carried out an exhaustive assessment of the principal risks as noted in the Strategic Report on page 6 and discussed in note 13 to the financial statements that are facing the Company over the period of the review, including those that would threaten its business model, future performance, solvency or liquidity.

Based on the results of this analysis, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the five year period of their assessment.

CAPITAL STRUCTURE

At 30 April 2017 there were 1,960,127 Ordinary shares of £12.50 each in issue.

During the year the Company purchased 4,861 Ordinary shares to be held in Treasury for a total consideration of £1,798,000, issued 212,256 Ordinary shares for proceeds of £84,503,000 and reissued 7,890 Ordinary shares from Treasury for proceeds of £3,130,000.

The revenue profits of the Company (including accumulated revenue reserves) and realised capital profits are available for distribution by way of dividends to the holders of the Ordinary shares (excluding any Ordinary shares held in Treasury, which have no entitlement to dividends).

Voting rights and deadlines for exercising voting rights can be found in the Notes for the Annual General Meeting ("AGM") which can be found on pages 35 and 36.

RESULTS AND DIVIDEND

The results for the year are set out in the Group Income Statement on page 11. The Company paid four quarterly dividends of £1.40 per share to shareholders in the year ended 30 April 2017.

SUBSTANTIAL INTERESTS

At 30 April 2017 there were no holdings representing (directly or indirectly) 3 per cent. or more of the voting rights attaching to the issued share capital of the Company had been disclosed to the Company.

There have been no changes notified in respect of the above holdings, and no new holdings notified, since the end of the year.

FINANCIAL INSTRUMENTS

Information on the Company's financial instruments can be found in the Notes to the Accounts on pages 15–20.

PRINCIPAL RISKS AND RISK MANAGEMENT

Information on the principal risks to shareholders and management of these risks can be found in the Strategic Report on pages 4–6 and in note 13 to the Accounts on pages 18–20.

DIRECTORS' INDEMNITY

The Company's Articles of Association entitle any Director or Officer of the Company to be indemnified out of the assets of the Company against any loss or liability incurred by her or him in the execution of her or his duties in relation to the Company's affairs to the extent permitted by law.

CARBON EMISSIONS

The Company's carbon emissions result predominantly from its consumption of gas and electricity at its offices. Using Defra/ DECC's GHG conversion factors for company reporting produced in 2014, emissions for the year to 30 April 2017 were 18.1 tonnes of CO_2e (2016: 16.6 tonnes of CO_2e). This equates to 0.11 tonnes of CO_2e (2016: 0.10 tonnes of CO_2e) per square metre.

AUDITORS

Ernst & Young LLP have indicated their willingness to continue in office as Auditors and a resolution proposing their re-appointment will be proposed at the AGM.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

As far as the Directors are aware, there is no relevant audit information of which the Auditors are unaware, and each Director has taken all the steps that he or she ought to have taken as a Director in order to make herself or himself aware of any relevant audit information and to establish that the Auditors are aware of that information.

RESOLUTIONS TO BE PROPOSED AT THE AGM

Resolutions 1 to 9 are self explanatory.

Authority to Allot Shares

During the year the Company continued its policy of issuing shares at a small premium to net asset value in response to demand. **Resolution 10** is to authorise the Directors to issue new shares up to an aggregate nominal amount of £2,470,150, being 10 per cent. of the total issued shares at 1 June 2017. **Resolution 11** is to enable the Directors to issue such new shares and to reissue shares from Treasury (see Treasury Shares below) up to an aggregate nominal amount of £2,470,150, being 10 per cent. of the total issued shares at 1 June 2017, for cash without first offering such shares to existing shareholders *pro rata* to their existing shareholdings. The Directors issue new shares or reissue shares from Treasury only when they believe it is advantageous to the Company's shareholders to do so and for the purpose of operating the Company's premium control policy. In no circumstances would such issue of new shares or reissue of shares from Treasury result in a dilution of net asset value per share.

Authority to Buy Back Shares

During the year, the Company acquired 4,861 of its own shares to be held in Treasury. The Company's current authority to make market purchases of up to 14.99 per cent. of the issued Ordinary shares expires at the end of the Annual General Meeting. **Resolution 12** is to renew the authority for a further period until the Company's Annual General Meeting in 2018. The price paid for shares on exercise of the authority will not be less than the nominal value of £12.50 per share or more than the higher of (a) 5 per cent. above the average of the middle market quotations of those shares for the five business days before the shares are purchased and (b) the higher of the last independent trade and the highest current independent bid on the London Stock Exchange. The authority, which may be used to buy back shares either for cancellation or to be held in Treasury, will be used to purchase shares only if, in the opinion of the Directors, a purchase would be in the best interests of the shareholders as a whole and would result in an increase in the net asset value per share for the remaining shareholders. There are no outstanding options or warrants to subscribe for equity shares in the capital of the Company.

Treasury Shares

Under UK company law investment trusts are able to acquire their own shares to hold in Treasury for reissue. The Directors consider that this facility gives the Company more flexibility in managing its share capital.

Resolutions 11 and 12 would provide the Directors with the authority they need to manage Treasury shares. Treasury shares will be reissued only at a premium to the net asset value of the shares at the time of sale.

Notice Period for General Meetings

The Company's Articles of Association enable the Company to call General Meetings (other than an Annual General Meeting) on 14 clear days' notice. In order for this to be effective, the shareholders must also approve annually the calling of meetings other than Annual General Meetings on 14 days' notice. **Resolution 13** will be proposed at the Annual General Meeting to seek such approval. The approval will be effective until the Company's next Annual General Meeting, when it is intended that a similar resolution will be proposed. The Company meets the requirements for electronic voting under the Companies Act 2006, offering facilities for all shareholders to vote by electronic means. The Directors believe it is in the best interests of the shareholders for the shorter notice period to be available to the Company, although it is intended that this flexibility will be used only for early renewals of the Board's authority to issue new shares or reissue shares from Treasury and only where merited in the interests of shareholders as a whole.

RECOMMENDATION

The Board considers that the resolutions to be proposed at the AGM are in the best interests of the shareholders as a whole and recommends that they vote in favour of such resolutions, as the Directors intend to do in respect of their own beneficial holdings.

By Order of the Board

Steven K Davidson
Secretary
10 St Colme Street
Edinburgh EH3 6AA

1 June 2017

Directors' Remuneration Report

Statement by the Chairman

This report has been prepared in accordance with the requirements of the Companies Act 2006. Ordinary resolutions for the approval of this report and the remuneration policy will be put to shareholders at the forthcoming Annual General Meeting. The remuneration policy, which was approved by shareholders at the Company's AGM in July 2014 (resolution received 97.8 per cent. of votes for, 1.3 per cent. against, and 0.9 per cent. of votes cast were withheld), will be put to shareholders at the forthcoming AGM and will next be put to shareholders at the AGM in 2020.

Remuneration Committee

The Remuneration Committee, chaired by Gordon Neilly and comprising Mr Neilly, Hamish Buchan and Stuart Paul, reviews the Directors' fees, employees' salaries and the remuneration paid to the Investment Adviser (together with the terms and conditions of appointment of the Investment Adviser) on an annual basis. The terms of reference of the Remuneration Committee clearly define the Committee's responsibilities. These terms are reviewed annually and are available for inspection on the Company's website.

Directors' Remuneration Policy

The Board's policy is that fees should be sufficient to attract and retain Directors capable of managing the Company on behalf of its shareholders. It is intended that this policy will continue until it is put to shareholders at the AGM in 2020. Non-executive Directors do not have service contracts but on being appointed are provided with a letter of appointment.

Executive Director's Service Contract

Robin Angus has a rolling twelve month contract of employment, signed in November 2002. Mr Angus does not receive any element of variable pay or a separate Director's fee. In the event of termination of his contract, the Company would incur a liability for 12 months' salary.

Directors do not receive any pension benefits, share options, long-term incentive schemes or other benefits. The pay and employment conditions of the employees of the Company's subsidiary are not taken into account when determining Directors' remuneration.

Annual Report on Remuneration

Following review of the level of Directors' fees for the forthcoming year the Board concluded that the amounts, which had remained unchanged since 2014, should be increased for the forthcoming year. Therefore, with effect from 1 May 2017, the Chairman's fee was increased to £42,000 (previously £38,000) and the Directors' fees were increased to £21,000 (previously £19,000) per annum. The annual limit on Directors' fees is set out in the Company's Articles of Association. The present limit is £175,000 in aggregate per annum and the approval of shareholders in a General Meeting would be required to change this limit.

Directors' Interests (Audited)

The Directors at the end of the year and their interests in the shares of the Company at 30 April 2017 and 30 April 2016 were as follows:

Director	Interest	2017	2016
Hamish Buchan (Chairman)	Beneficial	**1,124**	1,108
Robin Angus	Beneficial	**4,529**	4,265
Gordon Neilly	Beneficial	**1,917**	1,915
Stuart Paul	Beneficial	**4,665**	4,462
Frank Rushbrook	Beneficial	**13,623**	13,343
Jean Sharp*	Beneficial	**932**	–

* Appointed 21 July 2016.

Since 30 April 2017, Mr Angus has acquired a beneficial interest in an additional 8 shares, Mr Rushbrook in an additional 8 shares, and Ms Sharp in an additional 8 shares. There have been no other changes in the above holdings between 30 April 2017 and 1 June 2017.

Directors' Remuneration for the Year (Audited)

	Year ended 30 April 2017		Year ended 30 April 2016	
Director	**Fees**	**Salary**	Fees	Salary
Hamish Buchan (Chairman)	**£38,000**	–	£38,000	–
Robin Angus	–	**£200,000**	–	£200,000
Gordon Neilly	**£19,000**	–	£19,000	–
Stuart Paul	**£19,000**	–	£19,000	–
Frank Rushbrook	**£19,000**	–	£19,000	–
Jean Sharp*	**£14,826**	–	–	–
Total	**£109,826**	**£200,000**	£95,000	£200,000

* Appointed 21 July 2016.

The rates of Directors' fees for the year ended 30 April 2017 were set out in the Directors' Remuneration Report contained in the Company's 2016 Annual Report and Accounts.

We are required to report on the remuneration of the Company's Chief Executive Officer over the five years to 30 April 2017. On 1 January 2015 Mr Angus received a 5.3 per cent. increase in his remuneration from £190,000 to £200,000. There have been no other changes to Mr Angus' remuneration over the period.

DIRECTORS' REMUNERATION REPORT (CONTINUED)

Relative Importance of Directors' Fees

	2017 £'000	2016 £'000	% change
Directors' fees and salaries	**310**	295	5.1
Expenses	**6,855**	5,745	19.3
Employee costs	**702**	653	7.5
Dividends paid and proposed	**10,310**	9,691	6.4

Directors' fees and salaries as a percentage of:

	2017 %	2016 %
Expenses	**4.5**	5.1
Employee costs	**44.2**	45.2
Dividends paid and proposed	**3.0**	3.0

Further details of the Company's expenses and employee costs can be found in notes 3 and 4 on pages 16 and 17 and of dividends paid in note 7 on page 17.

Approval

Voting on the resolutions to approve the Directors' Remuneration Report at the Company's AGM on 21 July 2016 was as follows:

Resolution	% For	% Against	% Withheld
Approve Directors' Remuneration Report	99.1	0.7	0.2

Company Performance

The graph below compares, for the ten financial years ended 30 April 2017, the share price total return (assuming all dividends were reinvested) to Ordinary shareholders in each period compared to the total shareholder return on a notional investment in the FTSE All-Share Index. This index represents a comparable broad equity market index and is the Company's comparator. An explanation of the performance of the Company for the year ended 30 April 2017 is given in the Chairman's Statement and Investment Adviser's Report on pages 2 and 3.

On behalf of the Board

Hamish N Buchan
Chairman

1 June 2017

CORPORATE GOVERNANCE

INTRODUCTION

Personal Assets is a self-managed investment trust run by its Board, which takes all major decisions collectively. While Robin Angus has executive duties, all of the Directors regard themselves and one another as equal in the duties and responsibilities they owe to shareholders and accordingly work together as a unitary Board within which the Chairman (who is elected by the Directors from among their own number) acts as *primus inter pares*.

The Directors are elected by the shareholders and regard corporate governance and accountability to shareholders as fundamental. They therefore place considerable emphasis on running the Company in the way they believe to be best suited to the successful management of an investment trust on behalf of its shareholders.

Arrangements appropriate to an investment trust in respect of corporate governance have been made by the Board. The Board has considered the principles and recommendations of the AIC's Code of Corporate Governance (the "AIC Code") by reference to the AIC Corporate Governance Guide for Investment Companies (the "AIC Guide"). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code issued by the Financial Reporting Council (the "UK Code"), as well as setting out additional principles and recommendations which are of specific relevance to investment trusts. The AIC Code can be obtained from the AIC's website at www.theaic.co.uk.

The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Code), will provide better information to shareholders than if it had adopted the UK Code.

COMPLIANCE

The Company has complied throughout the year, and continues to comply, with the recommendations of the AIC Code and the relevant provisions of the UK Code, except as disclosed below.

The Board does not consider it appropriate for a Senior Independent Director to be appointed as recommended by provision A.4.1 of the UK Code, as it operates as a unitary Board.

The Board does not consider it appropriate for Directors to be appointed for a specific term as recommended by principle 4 of the AIC Code and provision B.2.3 of the UK Code. However, the Company's practice since 2007 has been that each Director will retire annually and, if appropriate, stand for re-election.

The Board does not consider it appropriate for an external evaluation of the Board to be carried out as recommended by provision B.6.2 of the Code as it believes the current evaluation process to be objective and rigorous. The Board, which is a unitary Board and meets formally or informally at least once a month, is also of the view that its composition is suitably diverse and effective.

DIRECTORS

All of the non-executive Directors are considered to be independent in character and judgement and, in the opinion of the Board, there are no relationships or conflicts of interest which are likely to affect the judgement of any Director. Hamish Buchan and Gordon Neilly have served for more than nine years. However, the Board subscribes to the view expressed within the AIC Code that long-serving Directors should not be prevented from forming part of an independent majority, and does not consider that a Director's length of tenure reduces his ability to act independently.

Directors' fees are determined within the limits set out in the Company's Articles of Association. The approval of shareholders in a General Meeting is required to change this limit.

Director	**Date of Appointment**	**Due date for Re-election or Re-appointment**
Hamish Buchan (Chairman)	5 July 2001	AGM 2017
Robin Angus (Executive Director)	18 May 1984	AGM 2017
Gordon Neilly	30 April 1997	AGM 2017
Stuart Paul	16 July 2009	–
Frank Rushbrook	16 July 2009	AGM 2017
Jean Sharp	21 July 2016	AGM 2017

Any new Directors appointed during the year must stand for re-appointment at the first Annual General Meeting following their appointment. All executive and non-executive Directors retire annually and, where appropriate, stand for re-election. Other than for Robin Angus there is no notice period and no provision for compensation on early termination of appointment.

Only Robin Angus has a contract of service with the Company. Details of this service contract, his remuneration, and fees paid to other Directors during the year are shown in the Directors' Remuneration Report.

Individual Directors may, after having obtained the consent of any other Director, seek independent professional advice at the Company's expense on any matter that concerns the furtherance of their duties. Details of the Directors' authority in relation to the issue and buying back by the Company of its shares can be found in the Directors' Report. Similarly, details of those persons with significant holdings in the Company are set out in the Directors' Report.

CONFLICTS OF INTEREST

The Companies Act 2006 requires that a Director of the Company must avoid a situation in which he or she has, or might have, an interest that conflicts, or may conflict, with the interests of the Company. Each Director submits a list of potential conflicts prior to each meeting. The other Directors consider these and recommend whether or not each potential conflict should be authorised. No situation arose during the year whereby an interest of a Director conflicted with the interests of the Company.

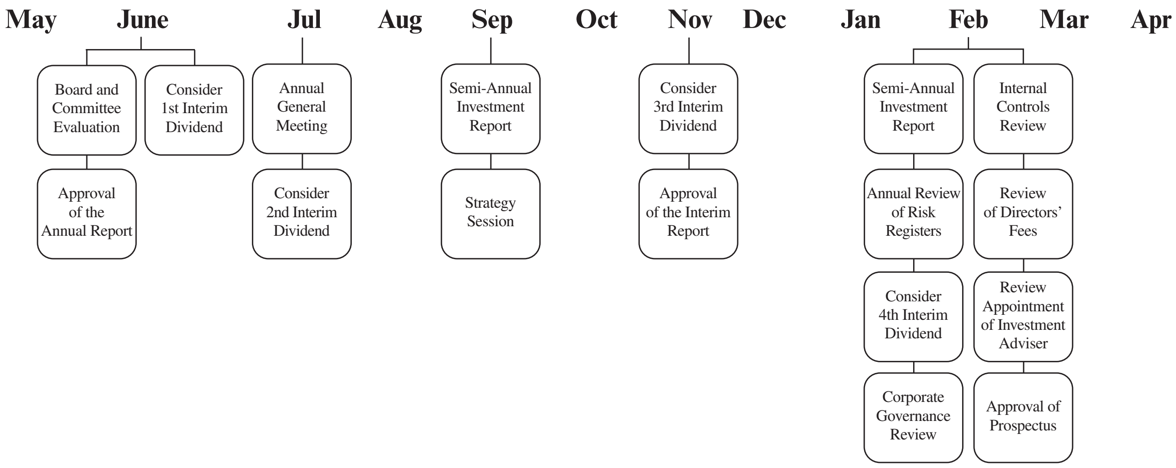
MEETINGS

During the year there were five formal Board meetings, each of which was attended by all of the Directors except Stuart Paul, who attended four Board meetings. There were three Audit Committee meetings, two Remuneration Committee meetings and a Nomination Committee meeting held during the year. All of these meetings were attended by all of the respective committee members.

Corporate Governance (continued)

Under the terms of the contracts with the AIFM and the Investment Adviser, the following matters have been expressly reserved to the Board: (a) the level and form of liquidity within the portfolio; (b) asset allocation within the portfolio; (c) the Company's gearing levels; (d) matters relating to the buying back and issuance of the Company's shares; (e) matters relating to shareholder communication; (f) hedging; (g) investment in any new asset class; (h) and such other matters as the Board may reasonably intimate from time to time. However, the Board is required to engage in active dialogue with the Investment Adviser in relation to the matters referred to at items (a), (b), (e), and (f) above.

The following diagram highlights various matters considered by the Board during the past year:



Voting Policy

The Investment Adviser is to exercise all votes exercisable by the Company in relation to the Company's investments in favour of resolutions proposed by the Boards of investee companies, save where the Board instructs otherwise. Board decisions regarding voting on corporate resolutions of companies in which the Company invests are a matter for the whole Board. All resolutions on which the Company is entitled to vote are monitored and, although normally the Company would vote in favour of all Board resolutions, any contentious matters are referred to the Directors by e-mail for comment. Any Director disagreeing that the Company should cast an affirmative vote informs the Company Secretary and requests that her or his view be considered by a sub-committee of the Board consisting of any two Directors. The sub-committee then considers the matter and informs the Director of its conclusion. Should the Director disagree with the sub-committee's conclusion, a full Board meeting is called to consider the matter.

Communication with Shareholders

The Board welcomes the views of shareholders and places considerable importance on communications with them. The Investment Adviser reports back to the Board on meetings with shareholders and the Chairman and other Directors are available to meet shareholders if required. The Annual General Meeting of the Company and presentations held in London provide a forum, both formal and informal, for shareholders to meet and discuss issues with the Board.

Nomination Committee

The Nomination Committee, chaired by Hamish Buchan and comprising Mr Buchan, Stuart Paul and Frank Rushbrook, considers the appointment of new Directors. Diversity, including gender, is considered when seeking potential candidates. The Nomination Committee meets at least annually.

As reported in last year's Annual Report Jean Sharp was appointed to the Board at the conclusion of the Company's AGM. Neither an external search consultant nor open advertising was used to assist in the appointment.

New Directors appointed to the Board are given an induction meeting with the Executive Office and are provided with all relevant information regarding the Company and their duties as a Director. Thereafter, regular briefings are provided on changes in regulatory requirements that could affect the Company and the Directors. Professional advisers report from time to time and Directors will, if necessary, attend seminars covering relevant issues and developments.

Performance Evaluation

During the year the performance of the Board, the Audit Committee, the Nomination Committee, the Remuneration Committee and individual Directors was evaluated through a discussion based assessment process led by the Chairman. The performance of the Chairman was evaluated by the other Directors. The Board concluded that the Chairman and each Director contributed effectively and demonstrated commitment to her or his rôle. The Board also concluded that the performance of the Board as a whole and its committees was effective. The UK Code requires the Company to engage an external facilitator for the Board evaluation every three years. However, the Board has elected not to comply with this requirement, as disclosed on page 26.

By Order of the Board

Steven K Davidson
Secretary
10 St Colme Street
Edinburgh EH3 6AA

1 June 2017

Report of the Audit Committee

Audit Committee

The Audit Committee, chaired by Stuart Paul and comprising Mr Paul, Frank Rushbrook and Jean Sharp, meets at least twice yearly to coincide with the annual and interim reporting cycle. The principal rôle of the Audit Committee is to review the annual and interim financial statements, the Accounting Policies applied therein and to ensure compliance with financial and regulatory reporting requirements. The Audit Committee discusses and agrees the scope of the audit plan for the year ahead and the Auditor's Report on their findings at the conclusion of the audit. The terms of reference of the Audit Committee clearly define the Committee's responsibilities. These terms are reviewed annually and are available for inspection on the Company's website.

The Audit Committee also reviews the system of internal controls, the terms of appointment of the Auditors (including their remuneration), the objectivity of the Auditors and the terms under which they are appointed to perform non-audit services. The Audit Committee also received a report from the Auditors identifying to its satisfaction how their independence and objectivity is maintained when providing these non-audit services. Fees for these services amounted to £8,500 for the year ended 30 April 2017 (2016: £8,500). The Board considers that the provision of such services at this level is cost effective and does not impair the independence of Ernst & Young LLP ("EY").

The Audit Committee assessed the effectiveness of the audit, the quality of the team and advice received from them through reviewing interaction with the Auditors, reports received from them and discussion with management. The Audit Committee continues to be satisfied with the effectiveness of the work provided by EY and that EY remain objective and independent.

At the request of the Board, the Audit Committee considered whether the 2017 Annual Report and Accounts were fair, balanced and understandable and whether they provided the necessary information for shareholders to assess the Company's performance, business model and strategy. The Audit Committee is satisfied that, taken as a whole, the Annual Report and Accounts are fair, balanced and understandable. The Audit Committee reached this conclusion based on a detailed review of the financial statements and subsequent discussion on whether the accounts are fair, balanced and understandable by all members of the Committee.

Audit and Taxation Tender

The Company confirms that it was in compliance with the provisions of The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 during the financial year ended 30 April 2017.

EU regulation requires a change of Auditors by 2020 and the Board's intention is to put the audit out for tender at the next Audit Partner rotation point, after the 30 April 2018 Annual Report and Accounts are approved.

EY were appointed at the Company's launch in 1983. The Audit Engagement Partner rotates every five years in accordance with ethical guidelines and 2017 is the fourth year for the current partner.

Further changes introduced under EU regulation prohibit a number of non-audit services that an auditor can provide the Company. These include tax compliance services. As a result, the Company put the provision of these out to tender and agreed to appoint Grant Thornton UK LLP.

Internal Controls

The Board is responsible for the Company's system of internal controls and for reviewing its effectiveness. The Board has therefore established an ongoing process designed to meet the particular needs of the Company in managing the risks to which it is exposed, consistent with the internal control guidance issued by the Financial Reporting Council. The process relies principally on a risk-based system of internal control whereby a test matrix is created that identifies the key functions carried out by the Company and other service providers, the individual activities undertaken within those functions, the risks associated with each activity and the controls employed to minimise those risks. A formal annual review of these procedures is carried out by the Board and includes consideration of internal control reports issued by the Investment Adviser and other service providers.

Such review procedures have been in place throughout the financial year and up to the date of approval of the Annual Report and Accounts, and the Board is satisfied with their effectiveness. These procedures are designed to manage, rather than eliminate, risk and, by their nature, can provide only reasonable, not absolute, assurance against material misstatement or loss. At each Board meeting the Board reviews the Company's activities since the previous Board Meeting to ensure that the Investment Adviser adheres to the agreed investment policy and approved investment guidelines and, if necessary, the Board approves changes to the guidelines.

PATAC Limited acts as the Company's AIFM for the purposes of the AIFM Directive and provides secretarial and administrative services to the Company.

The Company does not have an internal audit function as the Audit Committee believes that the Company's straightforward structure and small number of employees do not warrant such a function. This is reviewed by the Committee annually.

Significant Accounting Matters

The significant issue considered by the Audit Committee during the year in relation to the financial statements of the Group was the existence and valuation of investments. The AIFM regularly reconciles the portfolio holdings to confirmations from the Company's Custodian and carries out testing of the prices obtained from the independent pricing source. Based on confirmation from the AIFM that these procedures have operated correctly at 30 April 2017 and based on conversations with and written reporting from the Depositary, the Committee is satisfied that there is no material misstatement in the context of the Annual Report and Accounts as a whole.

Stuart W Paul
Director

1 June 2017

Independent Auditor's Report to the Members of Personal Assets Trust PLC

Our opinion on the financial statements

In our opinion:

- Personal Asset Trust plc's Group financial statements and Parent company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Parent company's affairs as at 30 April 2017 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the Parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006, and, as regards the Group financial statements, Article 4 of the IAS Regulation.

What we have audited

Personal Asset Trust PLC's financial statements comprise:

Group	**Parent company**
Consolidated Group Income Statement for the year then ended	
Consolidated Statement of Financial Position as at 30 April 2017	Statement of Financial Position as at 30 April 2017
Consolidated Statement of Changes in Equity for the year then ended	Statement of Changes in Equity for the year then ended
Consolidated Cash Flow Statement for the year then ended	Cash Flow Statement for the year then ended
Related notes 1 to 17 to the financial statements	Related notes 1 to 17 to the financial statements

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union and, as regards the Parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Overview of our audit approach

Risks of material misstatement	• Incorrect valuation and existence of the investment portfolio • Incomplete or inaccurate income recognition through failure to recognise proper income entitlements or apply appropriate accounting treatment
Audit scope	• We performed an audit of the complete financial information of the Company and its wholly owned subsidiary PATAC Limited ("the Group")
Materiality	• Overall Group materiality of £7.81 million (2016: £6.41 million) which represents 1% of total equity

Our assessment of risk of material misstatement

We identified the risks of material misstatement described below as those that had the greatest effect on our overall audit strategy, the allocation of resources in the audit and the direction of the efforts of the audit team. In addressing these risks, we have performed the procedures below which were designed in the context of the financial statements as a whole and, consequently, we do not express any opinion on these individual areas.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Incorrect valuation and existence of the investment portfolio (as described on page 28 in the Report of the Audit Committee and note 8 of the financial statements). The valuation of the portfolio at 30 April 2017 was £733.48 million (2016: £599.79 million). The valuation of the assets held in the investment portfolio is the key driver of the Group's net asset value and total return. Incorrect asset pricing or a failure to maintain proper legal title of the assets held by the Group could have a significant impact on portfolio valuation and, therefore, the return generated for shareholders.	We performed the following procedures: We gained an understanding of the process and controls in relation to the pricing of investments; We agreed 100% of investment prices and exchange rates to a relevant independent source; We reviewed pricing exception reports to assess the liquidity of investments held; and We obtained confirmation from the Custodian and Depositary of all securities held at the year-end and agreed all securities held from the Group's records to those of the Custodian and Depositary.	We have no matters to communicate with respect to our review of the process and controls in relation to the pricing of investments. For all investments, we noted no material differences in agreeing the prices and the exchange rates used to an independent source. We noted no issues in reviewing the pricing exception reports. We noted no differences between the confirmation obtained from the Custodian and Depositary and the Group's records.
Incomplete or inaccurate income recognition through failure to recognise proper income entitlements or apply appropriate accounting treatment (note 2 of the financial statements). Most of the Group's income is received in the form of dividends and interest from fixed income securities, being £9.23 million (2016: £8.02 million) and £5.86 million (2016: £3.27 million) respectively for the year. Given the judgmental aspect of allocating special dividends between revenue and capital and the risk of management override from processing of topside journals, we consider this an area warranting specific audit focus.	We performed the following procedures: We gained an understanding of the process and controls in relation to revenue recognition and performed walkthroughs of process and controls; We agreed a sample of dividends and interest received from the income report to an independent source; We agreed a sample of dividends and interest paid on investments held from an independent source to the income report; We agreed 100% of accrued dividends and interest to an independent source; We performed a review of all material special dividends received and assess the appropriateness of the accounting treatment; We re-performed the calculation of bond amortisation for a sample of inflation linked fixed income securities; and We tested the appropriateness of journal entries and other adjustments made in the preparation of the financial statements.	We have no matters to communicate with respect to our review of the process and controls in relation to revenue recognition. We noted no issues in agreeing the sample of dividend and interest receipts to and from independent source. We noted no issues in agreeing accrued dividends and interest to an independent source. We did not identify any special dividends that were received by the Group during the year. We noted no issues in re-performing the calculation of bond amortisation for the sample of inflation linked fixed income securities. We noted no issues in testing the appropriateness of journal entries and other adjustments made in the preparation of the financial statements.

The risks of material misstatement as set out in the table above are consistent with those reported in our prior year auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PERSONAL ASSETS TRUST PLC (CONTINUED)

THE SCOPE OF OUR AUDIT

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each entity within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the Group and effectiveness of group-wide controls, changes in the business environment and other factors when assessing the level of work to be performed at each entity. We performed an audit of the complete financial information of all components. All audit work was performed directly by the audit engagement team.

OUR APPLICATION OF MATERIALITY

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

MATERIALITY

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be £7.81 million (2016: £6.41 million), which is 1% (2016: 1%) of total equity. We have used total equity as the basis for setting materiality since it forms the basis for the key measurement of the Group's performance.

PERFORMANCE MATERIALITY

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 75% (2016: 75%) of our planning materiality, namely £5.86 million (2016: £4.81 million). We have set performance materiality at this percentage owing to our past experience of the audit that indicates a lower risk of misstatements, both corrected and uncorrected.

Given the importance of the distinction between revenue and capital for the Group we also applied a separate testing threshold of £0.61 million (2016: £0.44 million) for the revenue column of the Group Income Statement, being 5% (2016: 5%) of the profit before taxation.

REPORTING THRESHOLD

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.39 million (2016: £0.32 million), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the Parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report and accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Responsibility Statement in the Directors' Report set out on pages 21 and 22, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PERSONAL ASSETS TRUST PLC (CONTINUED)

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- based on the work undertaken in the course of the audit:
  - the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
  - the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements
- based on the work undertaken in the course of the audit, the information given in the Corporate Governance Statement set out on pages 26 and 27 of annual report with respect to internal control and risk management systems in relation to financial reporting processes and about share capital structures and in compliance with rules 7.2.5 and 7.2.6 of the Disclosure Guidance and Transparency Rules sourcebook made by the Financial Conduct Authority:
  - is consistent with the financial statements; and
  - has been prepared in accordance with applicable legal requirement;
- based on the work undertaken rules 7.2.2, 7.2.3 and 7.2.7 in the Disclosure Guidance and Transparency Rules sourcebook made by the Financial Conduct Authority (with respect to the Parent company's corporate governance code and practices about its administrative, management and supervisory bodies and their committees) have been complied with if applicable.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

ISAs (UK and Ireland) reporting	We are required to report to you if, in our opinion, financial and non-financial information in the annual report and accounts is: • materially inconsistent with the information in the audited financial statements; or • apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or • otherwise misleading. In particular, we are required to report whether we have identified any inconsistencies between our knowledge acquired in the course of performing the audit and the Directors' statement that they consider the annual report and accounts taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the entity's performance, business model and strategy; and whether the annual report and accounts appropriately addresses those matters that we communicated to the audit committee that we consider should have been disclosed.	We have no exceptions to report.
Companies Act 2006 reporting	In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report, Directors' Report or Corporate Governance Statement set out on pages 26 and 27 of the annual report. We are required to report to you if, in our opinion: • adequate accounting records have not been kept by the Parent company, or returns adequate for our audit have not been received from branches not visited by us; or • the Parent company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or • certain disclosures of Directors' remuneration specified by law are not made; or • we have not received all the information and explanations we require for our audit; or • a Corporate Governance Statement has not been prepared by the Company.	We have no exceptions to report.

Independent Auditor's Report to the Members of Personal Assets Trust PLC (continued)

Matters on which we are required to report by exception

Listing Rules review requirements	We are required to review: • the Directors' statement in relation to going concern, set out on page 22, and longer-term viability, set out on page 22; and • the part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.	We have no exceptions to report.

Statement on the Directors' Assessment of the Principal Risks that Would Threaten the Solvency or Liquidity of the Entity

ISAs (UK and Ireland) reporting	We are required to give a statement as to whether we have anything material to add or to draw attention to in relation to: • the Directors' confirmation in the annual report that they have carried out a robust assessment of the principal risks facing the entity, including those that would threaten its business model, future performance, solvency or liquidity; • the disclosures in the annual report that describe those risks and explain how they are being managed or mitigated; • the Directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the entity's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements; and • the Directors' explanation in the annual report as to how they have assessed the prospects of the entity, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the entity will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.	We have nothing material to add or to draw attention to.

Susan J Dawe (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Edinburgh

1 June 2017

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 36th Annual General Meeting ("AGM") of Personal Assets Trust Public Limited Company will be held at The Principal Edinburgh (formerly The George Hotel), 19-21 George Street, Edinburgh, on Thursday 20 July 2017 at 12 noon for the following purposes:

To consider and, if thought fit, pass the following resolutions which will be proposed as Ordinary Resolutions:

1. That the Report and Accounts for the year to 30 April 2017 be received.
2. That the Policy on Directors' Remuneration be approved.
3. That the Directors' Remuneration Report for the year to 30 April 2017 be approved.
4. That Hamish Buchan, who retires from office annually, be re-elected as a Director.
5. That Gordon Neilly, who retires from office annually, be re-elected as a Director.
6. That Frank Rushbrook, who retires from office annually, be re-elected as a Director.
7. That Jean Sharp, who retires from office at the first Annual General Meeting following her appointment to the Board, be re-appointed as a Director.
8. That Robin Angus, who retires from office annually, be re-elected as a Director.
9. That Ernst & Young LLP be re-appointed as Auditors and that the Directors be authorised to determine their remuneration.
10. Authority to allot shares

    That, in substitution for any existing authority, but without prejudice to the exercise of any such authority prior to the date hereof, the Directors of the Company be and are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company ("Securities") provided that such authority shall be limited to the allotment of shares and the grant of rights in respect of shares with an aggregate nominal value of up to £2,470,150, such authority to expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on the expiry of 15 months from the passing of this resolution, whichever is the earlier, unless previously revoked, varied or extended by the Company in a general meeting, save that the Company may at any time prior to the expiry of this authority make an offer or enter into an agreement which would or might require Securities to be allotted or granted after the expiry of such authority and the Directors shall be entitled to allot or grant Securities in pursuance of such an offer or agreement as if such authority had not expired.

To consider and, if thought fit, pass the following resolutions which will be proposed as Special Resolutions:

11. Disapplication of pre-emption rights

    That, subject to the passing of Resolution 10 above, and in substitution for any existing power but without prejudice to the exercise of any such power prior to the date hereof, the Directors of the Company be and are hereby generally empowered, pursuant to Section 570 of the Companies Act 2006 (the "Act"), to allot equity securities (as defined in Section 560 of the Act), including the grant of rights to subscribe for, or to convert securities into, Ordinary shares in the Company for cash either pursuant to the authority given by Resolution 10 above or by way of a sale of Treasury shares (as defined in Section 724 of the Act) as if Section 561(1) of the Act did not apply to any such allotment of equity securities, provided that this power:

    (a) expires at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on the expiry of 15 months from the passing of this resolution, whichever is the earlier, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if the power conferred hereby had not expired; *and*

    (b) shall be limited to the allotment of equity securities up to an aggregate nominal value of £2,470,150, being 10 per cent. of the nominal value of the issued share capital of the Company at 1 June 2017.

    This power applies in relation to a sale of shares which is an allotment of equity securities by virtue of Section 560(2) of the Act as if in the first paragraph of this resolution the words "subject to the passing of Resolution 10 above" were omitted.

12. Share buy-back authority

That, in substitution for any existing authority but without prejudice to the exercise of any such authority prior to the date hereof, the Company be and is hereby generally and unconditionally authorised, pursuant to and in accordance with Section 701 of the Companies Act 2006 (the "Act"), to make market purchases (within the meaning of Section 693(4) of the Act) of fully paid Ordinary shares of £12.50 each in the capital of the Company ("Ordinary shares") (either for retention as Treasury shares for future reissue, resale or transfer or for cancellation), provided that:

(a) the maximum aggregate number of Ordinary shares hereby authorised to be purchased is 296,221 or, if less, the number representing 14.99% of the issued share capital of the Company at the date of the passing of this resolution;

(b) the minimum price (excluding expenses) which may be paid for each Ordinary share is £12.50;

(c) the maximum price (excluding expenses) which may be paid for each Ordinary share shall not be greater than the higher of:

(i) 5 per cent. above the average middle market quotation on the London Stock Exchange of an Ordinary share over the five business days immediately preceding the date of purchase; *and*

(ii) the higher of the last independent trade and the highest current independent bid on the London Stock Exchange; *and*

(d) unless previously varied, revoked or renewed by the Company in a general meeting, the authority hereby conferred shall expire at the conclusion of the Company's next Annual General Meeting or on 31 October 2018, whichever is the earlier, save that the Company may, prior to such expiry, enter into a contract to purchase Ordinary shares under such authority which will or might be completed or executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary shares pursuant to any such contract.

13. That a General Meeting of the Company other than an Annual General Meeting may be called on not less than 14 clear days' notice provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company.

By Order of the Board

Steven K Davidson
Secretary
10 St Colme Street
Edinburgh EH3 6AA

1 June 2017

Notes

1. A shareholder who is entitled to attend, speak and vote at the meeting is entitled to appoint one or more proxies to attend, speak and vote on her or his behalf. Such proxy need not also be a shareholder of the Company. If appointing more than one proxy, each proxy must be appointed to exercise rights attaching to different shares held by the shareholder.
2. A proxy form for use by shareholders at the meeting is enclosed with this document. Proxies must be lodged with the Company's registrar, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, not less than 48 hours (excluding non-working days) before the time appointed for the meeting together with any power of attorney or other authority (if any) under which it is signed. Completion of the proxy form will not prevent a shareholder from attending the meeting and voting in person.
3. As an alternative to completing the hard copy proxy form you can appoint a proxy electronically at sharevote.co.uk. For an electronic proxy appointment to be valid, your appointment must be received by the Company's registrar not less than 48 hours (excluding non-working days) before the time of the meeting.
4. Only those shareholders having their names entered on the Company's share register not later than 6.30 pm on 18 July 2017 or, if the meeting is adjourned, 6.30 pm on the day which is 2 days (excluding non-working days) prior to the date of the adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to the entries on the Company's share register after that time shall be disregarded in determining the rights of any shareholder to attend, speak and vote at the meeting, notwithstanding any provision in any enactment, the Articles of Association of the Company or other instrument to the contrary.
5. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that such corporate representatives do not do so in relation to the same shares.

6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual, and by logging on to the website www.euroclear.com. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

   In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the Company's registrar, Equiniti Limited (ID RA 19), by no later than 12 noon on 18 July 2017. No such message received through the CREST network after this time will be accepted. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST application host) from which the Company's Registrar is able to retrieve the message by inquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

   CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that her or his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

   The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

7. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with Section 146 of the Companies Act 2006 ("Nominated Persons"). Nominated Persons may have a right under an agreement with the member who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if Nominated Persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights. The statement of the rights of members in relation to the appointment of proxies in notes 1 and 2 above does not apply to Nominated Persons. The rights described in these notes can be exercised only by members of the Company.

8. At 31 May 2017, the latest practicable date prior to publication of this document, the Company's issued share capital comprised 1,976,127 Ordinary shares of £12.50 each with a total of 1,976,127 voting rights.

9. Any person holding 3 per cent. of the total voting rights in the Company who appoints a person other than the Chairman as her or his proxy must ensure that both he or she and such third party comply with their respective disclosure obligations under the Disclosure Guidance and Transparency Rules.

10. Information regarding the meeting, including information required by Section 311A of the Companies Act 2006, is available from the Company's website, www.patplc.co.uk.

11. Under Section 319A of the Companies Act 2006, the Company must answer any question relating to the business being dealt with at the meeting put by a member attending the meeting unless:
    (a) answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
    (b) the answer has already been given on a website in the form of an answer to a question; *or*
    (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

12. Shareholders are advised that, unless otherwise stated, any telephone number, website or e-mail address which may be set out in this notice of meeting or in any related documents (including the proxy form) is not to be used for the purposes of serving information or documents on, or otherwise communicating with, the Company for any purposes other than those expressly stated.

13. The members of the Company may require the Company (without payment) to publish, on its website, a statement (which is also to be passed to the Auditors) setting out any matter relating to the audit of the Company's accounts, including the auditors' report and the conduct of the audit. The Company will be required to do so once it has received such requests from either members representing at least 5 per cent. of the total voting rights of the Company or at least 100 members who have a relevant right to vote and hold shares in the Company on which there has been paid up an average sum per member of at least £100. Such requests must be made in writing and must state the sender's full name and address and be sent to the Company's registered address at 10 St Colme Street, Edinburgh EH3 6AA.

14. The letters of appointment of the non-executive Directors and the service contract of the Executive Director will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this notice and at the location of the meeting for at least 15 minutes prior to the meeting and during the meeting.

15. Members meeting the threshold requirements set out in the Companies Act 2006 have the right (a) to require the Company to give notice of any resolution which can properly be, and is to be, moved at the meeting pursuant to section 338 of the Companies Act 2006; and/or (b) to require the Company to include a matter in the business to be dealt with at the meeting, pursuant to section 338A of the Companies Act 2006.

Corporate Information

Board of Directors

Hamish Buchan (Chairman)
Robin Angus
Gordon Neilly
Stuart Paul
Frank Rushbrook
Jean Sharp

Registered Office

10 St Colme Street
Edinburgh EH3 6AA

Telephone: 0131 538 1400
www.patplc.co.uk

Company Secretary

Steven Davidson ACIS
PATAC Limited
21 Walker Street
Edinburgh EH3 7HX

Telephone: 0131 538 1400

AIFM

PATAC Limited
21 Walker Street
Edinburgh EH3 7HX

Investment Adviser

Troy Asset Management Limited
33 Davies Street
London W1K 4BP

www.taml.co.uk

Custodian

J.P. Morgan Chase Bank N.A.
25 Bank Street
Canary Wharf
London E14 5JP

Depositary

J.P. Morgan Europe Limited
25 Bank Street
Canary Wharf
London E14 5JP

Solicitors

Dickson Minto WS
16 Charlotte Square
Edinburgh EH2 4DF

Shareholder Information

Telephone: 0131 538 6605

Investment Account and ISA

Alliance Trust Savings

Telephone: 01382 573737
Email: contact@alliancetrust.co.uk
www.alliancetrustsavings.co.uk

Registrars

Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA

Telephone: 0371 384 2459*

Stockbrokers

J.P. Morgan Cazenove
25 Bank Street
Canary Wharf
London E14 5JP

Auditors

Ernst & Young LLP
Ten George Street
Edinburgh EH2 2DZ

Identification Codes

SEDOL:	0682754
ISIN:	GB0006827546
Bloomberg:	PNL LN
EPIC:	PNL

* Lines open 8:30am to 5:30pm, Monday to Friday. The overseas helpline number is +44 (0)121 415 7047.

Personal Assets Trust PLC, 10 St Colme Street, Edinburgh EH3 6AA.
Shareholder Telephone: 0131 538 6605. Website: www.patplc.co.uk